

RECREATION CENTERS OF SUN CITY, INC.
MINUTES REGULAR BOARD MEETING
December 22, 2016

At the Regular Monthly Board Meeting called to order by President Schroeder at 9:00am on December 22, 2016, at Sundial Auditorium, the following took place:

PRESENT: Dan Schroeder, President; Rich Hoffer, Vice President; Carol Lawry, Secretary; and Directors Ida Eisert, Ron Smith, Peter Lee, Ron Jesse and Jerry Walczak

ALSO PRESENT: Jan Ek, General Manager; Linda Menna, Executive Assistant to AGM; Brian Duthu, Director of Golf; Joelyn Higgins, RCSC Communication & Marketing Coordinator; Marcia Johnson, Corporate Executive Coordinator; Allen Kleinhans and Mike Dvorak, RCSC Audio/Video Technicians; 91 RCSC Cardholders and 1 member of the press.

Absent: Jim Wellman, Assistant General Manager; Michael Kennedy, Treasurer

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

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

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

Minutes: On Motion by Director Lee and seconded by Vice President Hoffer, the Minutes of the November 17, 2016 Regular Board Meeting were unanimously approved.

Treasurer's Report: Treasurer Kennedy was not in attendance and in his absence; his report was presented by Secretary Lawry. On Motion by Director Lee and seconded by Director Jesse, the Report was unanimously approved. The monthly Treasurer's Report is available at www.sunaz.com, along with the monthly financials.

Installation of Board Candidates: President Schroeder installed the Directors Elect, Stella Van Ness, Jerry DeLano and David Wieland who will serve three (3) year terms and Bruce Alleman who will serve a two (2) year term starting January 1, 2017.

Presentation to Outgoing Board: Vice President Hoffer presented plaques to outgoing Director Peter Lee and President Dan Schroeder. Treasurer Michael Kennedy was not in attendance. Vice President Hoffer thanked them for their service to the RCSC. President Schroeder thanked Director Jesse for accepting the appointment to complete Director Gary Cotton's first year term after his resignation.

Management Reports: Jan Ek, General Manager and Brian Duthu, Director of Golf presented their management reports. Jim Wellman, Assistant General Manager was not in attendance and in his absence his report was presented by his Executive Assistant, Linda Menna. All the management reports are available at www.suncityaz.org under the RCSC tab.

- **Presentation of Check:** Jan Ek presented this year's RCSC Charity, The Sun City Foundation, with a check for \$11,605.43.
- **Special recognition:** Jan Ek thanked Executive Assistant to the Assistant General Manager, Linda Menna for her 12 years of service to the RCSC and wished her luck on her retirement. Jan also thanked the three Directors that were leaving the Board this year and welcomed aboard the new Directors.

Committee Reports: The Directors reported on Committees as follows:

Ad Hoc Long Range Planning: Chair Rich Hoffer reported that he spoke with the RCSC Board and informed them of how much time and effort the Committee has put into this project and how pleased he was with all the work they have accomplished thus far. Committee Members gave their reports from the second interview of the clubs that were interested in space at the Grand Ave location and each report was discussed. The 2017 meeting schedule was reviewed and Rich asked the Members to bring any ideas they have for the Grand Ave space to our next "Brainstorming" meeting. The next meeting is January 13, 2017 at 11:00am.

Bowling Committee: Chair Carol Lawry reported that RCSC Director of Bowling, Randy Johnson informed the committee of the upcoming tournaments which include; Cactus & Pine, ACBA Tournament and King of the Hill. The 2016 New Year's Bowler-Rama party being held at Lakeview is sold out with 149 guests signed up. The next meeting is January 5, 2017 at 9:00am.

Club Organization (COC): Chair Dan Schroeder reported that Member Services Coordinator, Myrna DeBruyne informed the Committee that the Board approved the name change for a Chartered Club. Myrna also reported that she met with some clubs to discuss better hourly usage of club rooms and ways to grow their membership. If you are interested in joining the COC Committee, you can contact our corporate office for information. The next meeting is January 11, 2017 at 1:00pm.

Elections: Chair Rich Hoffer thanked all the candidates who made the decision to run. He also thanked all the Election Committee members and others who volunteered to work Election Day. Electronic voting is now the method most Members are using to vote. We believe that with increased registration on the web portal, our voting numbers will continue to go up each year. The next meeting date will be scheduled sometime after the first of the year.

Entertainment: Chair Ida Eisert stated that no meeting was scheduled in December. She thanked the Director of Member Services, Theresa Cirino for her exceptional work this year. She also thanked Allan Kleinhans & Mike Dvorak for their great work behind the scenes on lights, sound and more. We look forward to a great 2017 season! The next meeting will be announced in January.

Finance & Budget: Co-Chair Peter Lee reported that General Manager Jan Ek provided the third quarter summary of income and expenses with comparison to budget which was approved by the Committee. Jan then presented the proposed 2017 budget for review and discussion. Jan will do a budget presentation at the Annual Meeting in February, but if you have interest in the details of the budget, a copy of the summary is available. The next meeting will be scheduled after the first of the year.

Golf Advisory: Chair Jerry Walczak stated the Committee heard the monthly report from Brian Duthu and representatives from the courses who were present. Brian also informed the Committee that The Beat the Pro event raised \$2,223 for the Sun City Foundation. Pro Shop Manager, Chris Linam reminded the Committee that we still are in need of more Rangers so if you are interested in volunteering and becoming a ranger please call us at 623-876-8419. The next meeting is January 19, 2017 at 8:30am.

Insurance Committee: Chair Ron Jesse reported the Committee has not met since March and won't meet again until spring.

Lawn Bowling: Chair Carol Lawry stated that the Director of Golf, Brian Duthu informed the Committee that all watering of greens has stopped now that the greens are dormant and that he is working on options for correcting the problems at Bell greens. The plinths at both Bell greens have been laser checked to identify how much correction is needed. The next meeting is scheduled for January 10, 2017 at 1:00pm.

Outreach & Communication: Chair Ron Smith reported the Committee did not meet in December and that the next meeting is January 10, 2017 at 9:30am.

Properties: Chair Peter Lee reported Inspections turned in for the fourth quarter were discussed and all items on the inspections are either repaired or scheduled to be repaired. The Committee also discussed progress on current projects at the centers. Peter thanked everyone who has served on the Committee this year and 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 and ears to uncover issues that could be resolved if only they were reported. There is a need for additional inspectors, if you are interested, please contact our Board office at 623-561-4620 for more information. The next meeting is March 28, 2017 at 9:00am.

Other reports:

Sun City Posse: Ron Smith, liaison to the Posse reported that at their last meeting on December 12, 2016 the new members of the Board of Governors and Posse Commander were sworn in. The donation drive is going well. We have great volunteers and if you would like to volunteer please contact the Posse for more information.

Friends of the Library: Ida Eisert, liaison to the Friends of the Library attended The Friends Library Volunteer Holiday Luncheon on Wednesday, December 14th at Fairway Recreation Center. The Entertainment was our own Sun City Pom's. The Friends do such good work for the Community. There will be a half-price sale January 13th and 14th at Books Around the Corner Bookstore located at the Bell Center with hours from 9:00am to 2:00pm. The next Friends meeting is scheduled for Thursday, January 12, 2017 at 9:30am at the Sun City Library in the Bell Center. Their website is www.suncitylibraryfriends.org or call 602-251-2014 for more information.

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; thanks to the RCSC for its continued support to SCHOA; much discussion on increased yearly assessments and other fee increases due to the passing of Proposition 206; loss of club members and revenue for clubs as a result of the guest pass increase; videotaping the Board Meetings and Member Exchanges; Transparency.

Outgoing Board Comments: President Dan Schroeder and Director Peter Lee made statements on their tenure on the Board: Michael Kennedy was not in attendance.

Peter Lee: This is the completion of the 53rd Board of Directors for the RCSC. Each one of the Boards has stood on the shoulders of those before them. It was a quick three (3) years. RCSC has numerous volunteers and we are fortunate that we have residents that remain committed to Sun City being that we are "The City of Volunteers". I am impressed with the RCSC staff I have come to know, each have been pleasant, knowledgeable and helpful thru my term. My thanks to the current Board, our discussions were not always pleasant but were discussed. Thanks to Dan Schroeder and Michael Kennedy also. I want to thank those of you here that are seen at our monthly Board meetings. There are a few RCSC staff that I have assigned adjectives to; Marcia – kindness, Jim – cheerfulness, Brian – thorough, Linda – smiling, Theresa – busy, Angie – accurate, Chris – engineer and for Jan, I have two (2) adjectives, perseverance and compassion. Thanks to Phyllis my wife and Merry Christmas to all of you.

Dan Schroeder: It is hard to believe that three (3) years has already gone by. We had some interesting ups & downs and gained knowledge from Management and fellow Board Members. I know we were not always popular with the decisions we made, but rest assured, they were done with the best of intentions. I want to thank RCSC Management, Staff and Joelyn for her help with my monthly articles. I also want to thank the Members for electing me to serve, it has been an honor and I am grateful to have had the opportunity.

Motions: The following Motions were presented:

#1 Entertainment Committee - New Member: Director Eisert moved that Charles Phillips be approved to serve as a member of the Entertainment Committee. The Board's approval of the appointment of Committee members is required by Arizona Revised Statutes §10-3825, and as stated in the Corporate Bylaws. Seconded by Director Lee, the Motion was unanimously approved, with Treasurer Kennedy absent.

#2 Outreach & Communications Committee – New Member: Director Smith moved that Charles Phillips be approved to serve as a member of the Outreach & Communications Committee. The Board's approval of the appointment of Committee members is required by Arizona Revised Statutes §10-3825, and as stated in the Corporate Bylaws. Seconded by Director Jesse, the Motion was unanimously approved, with Treasurer Kennedy absent.

#3 401K Contribution - 2017: Director Jesse moved that a corporate match be approved for the first \$500 contributed in the year 2017 to the 401(k) plan by each qualified plan participant. Seconded by Vice President Hoffer, the Motion was unanimously approved, with Treasurer Kennedy absent.

#4 2017 Posse Donation: Director Lee moved for approval of a \$3,000.00 donation to the Sun City Sheriff's Posse, for the year 2017, as a gesture of goodwill for their continued assistance to the RCSC. Seconded by Director Smith, the Motion was unanimously approved, with Treasurer Kennedy absent.

#5 BP#10 Code of Conduct & Rules & Regulations: Director Lee moved that the Paragraph titled *Minimum Age Requirements for Guests* of Board Policy Resolution No. 10, titled Code of Conduct & Rules & Regulations, and Paragraph titled *Aquatic Facilities (Pools and Spas)* item No. 2, be approved as amended and replace the previous Paragraphs titled the same. All other provisions of Board Policy Resolution No. 10 shall remain unchanged. Seconded by Secretary Lawry, the Motion was unanimously approved, with Treasurer Kennedy absent.

#6 Annual Property Assessment: Secretary Lawry moved that the annual property assessment be increased to \$496.00 per year on the per property assessment basis and to \$248.00 per year on the per person assessment basis, effective February 1, 2017.

I FURTHER MOVE THAT that the yearly Privilege Card cost be increased to \$248.00, also effective February 1, 2017. Seconded by Vice President Hoffer, the Motion was approved, with Treasurer Kennedy absent and Director Lee opposed.

#7 Short-Term Privilege Cards: Director Smith moved that the short-term 30, 60 and 90 day privilege cards be increased to \$75.00 per month effective January 1, 2017. Seconded by Secretary Lawry, the Motion was unanimously approved, with Treasurer Kennedy absent.

#8 Guest Fees Host Punch Cards: Vice President Hoffer moved that the daily guest fee be increased from \$2.00 per day per person to \$2.50 per day per person effective January 1, 2017.

I FURTHER MOVE THAT the Host Punch Card be revised to have 8 punches instead of 10 and the cost will remain at \$20.00 per card, also effective January 1, 2017. Seconded by

Secretary Lawry, the Motion was approved, with Treasurer Kennedy absent and Director Lee opposed.

#9 Golf Fees: Director Walczak moved that the following golf green fees be approved effective January 1, 2017: Seconded by Director Jesse, the Motion was unanimously approved, with Treasurer Kennedy absent.

#10 Bowling Fees: Secretary Lawry moved the following bowling fees be approved effective January 1, 2017: Seconded by Director Lee, the Motion was unanimously approved, with Treasurer Kennedy absent.

#11 Facility Rental Rates: Director Jesse moved that the following Cardholder, Non-Cardholder and Competitive Play facility rental rates be approved effective January 1, 2017: Seconded by Secretary Lawry, the Motion was unanimously approved, with Treasurer Kennedy absent.

#12 2017 Budget: Director Eisert moved that the 2017 Operating and Capital Budget be approved as follows: Seconded by Secretary Lawry, the Motion was unanimously approved, with Treasurer Kennedy absent.

Total Income	\$21,885,665
Cost of Goods Sold	\$ 681,287
Wages	\$ 8,676,175
Payroll Taxes & Benefits	\$ 2,289,880
Repair & Maintenance	\$ 3,646,307
Utilities	\$ 2,818,890
Operating Expenses	\$ 2,314,235
Taxes, Insurance, Other Expenses	\$ 689,064
Capital Projects & Equipment	\$ 825,300

#13 Turf Reduction Plans: Director Walczak moved for approval of turf reduction plans to be developed for the South Golf Course, North Golf Course, Lakes West Golf Course and Riverview Golf Course at a cost \$10,000 per course for a total of \$40,000.

I FURTHER MOVE THAT this unbudgeted expense be taken from the prior year carry forward balance. Seconded by Director Jesse, prior to the vote, Director Lee stated that he felt this Motion should not be passed because we are taking \$40,000 to get plans for something not even in the PIF project yet and feels this money could be used for fees not covered by Proposition 206. The vote was taken and the Motion passed, with Treasurer Kennedy absent and Director Lee opposed.

#14 Grandmothers and Friends Club – De-Charter: Vice President Hoffer moved that the Grandmother’s and Friends Club be de-chartered, at their request, for the reason that they do not have enough members or officers as required by Board Policy 12. Seconded by Secretary Lawry, the Motion was unanimously approved with Treasurer Kennedy absent.

Next Meetings: President Schroeder reported that the next Board/Member Exchange, with Agenda, is Monday, January 9, 2017 at 9:00am in Social Hall #3 at Lakeview Center. The next Regular Board Meeting is Thursday, January 26, 2017 at 9:00am in the Sundial Auditorium.

Adjournment: The meeting adjourned at 10:45am

Respectfully submitted,

Carol Lawry, Secretary