

**RECREATION CENTERS OF SUN CITY, INC.**  
**MINUTES REGULAR BOARD MEETING**  
**May 28, 2015**

At the Regular Monthly Board Meeting called to order by President Schroeder at 9:00am on April 30, 2015, at Sundial Auditorium, the following took place:

**PRESENT:** Dan Schroeder, President; Michael Kennedy, Treasurer; Carol Lawry, Secretary; and Directors Jim Brasher; Ida Eisert, Rich Hoffer, Peter Lee and David Wieland

**ALSO PRESENT:** Jan Ek, General Manager; Jim Wellman, Assistant General Manager; Linda Menna, Executive Assistant to AGM; Theresa Cirino, Director of Member Services; Brian Duthu, Director of Golf; Sue Presta, Golf Administrative Coordinator; Deanna Szentmiklosi, Executive Coordinator; Allen Kleinhans and Jason Lee, RCSC Audio/Video Technicians; 2 members of the press; and 35 RCSC Cardholders

**ABSENT:** Ron Jesse, Vice President; and Joelyn Higgins, RCSC Communication & Marketing Coordinator

**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 Hoffer and seconded by Director Wieland, the Minutes of the April 30, 2015 Regular Board Meeting were approved.

**Treasurer's Report:** Treasurer Kennedy presented the Treasurer's Report. On Motion by Director Brasher and seconded by Director Wieland, the report was approved. The monthly Treasurer's Report is available at [www.sunaz.com](http://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](http://www.sunaz.com).

**Committee Reports:** The Board gave the following committee reports.

**Bowling:** Co-Chair Rich Hoffer reported in the absence of Chair Ron Jesse, stating that Randy Johnson, Director of Bowling, reported to the Committee that the Sun City Open Tournament was a huge success with 256 bowlers and 63 teams. The "Kegel Mapping System" is scheduled for completion by the end of May. Since the completion of the Lakeview Lanes, averages

during recent league and tournament play have been higher. Masking units are being ordered and will be installed during the summer. Randy also informed the Committee of the Valley of the Sun Tournament being scheduled for the 2015-2016 bowling season in Sun City. The next meeting is September 3, 2015 at 9:00am.

**Club Organization (COC):** Chair Lawry stated that Myrna DeBruyne from the Clubs Office reported on administrative issues by several clubs that need to be brought current. The Clubs Office has already started scheduling facilities for 2016. A refresher course for club officers was held on May 12<sup>th</sup> so anyone currently serving could get additional training and those temporary summer officers could obtain training as well. The training was well done. The Committee also discussed a program called Sun City Gives Back which recognizes RCSC Clubs who give back to the community. The Clubs Office and the Board are reviewing BP12 for some possible changes. All the COC's present also updated the Committee on events or other issues by their respective clubs. The next meeting is June 10, 2015 at 1:00pm.

**Elections:** Chair Mike Kennedy reported Board Candidate packets will be ready to pick up starting Wednesday, June 3<sup>rd</sup>. Potential candidates must come in person with their Member card and completed packets will be due back no later than noon on Friday, October 2, 2015. There will be three vacancies to fill for the December 8<sup>th</sup> election, all three year terms. The Committee hopes to have a large field of candidates so if anyone is interested in running or knows of anyone who might be willing, they should visit the corporate office starting next week. The Committee will not meet again until fall with the date to be determined.

**Entertainment:** Chair Jim Brasher reported the Committee reviewed Sun Bowl performances in May. The Roy Orbison Tribute was cancelled due to performer illness. The Jimmy Buffet Tribute substituted and was extremely well received even though cut short due to inclement weather. An outstanding performance was given by the Realtones, with many encores. Both shows will be scheduled for the upcoming 2016 season. The next meeting is October 27, 2015 at 1:30pm.

**Finance & Budget:** Chair Mike Kennedy reported the Committee has not met since the last meeting. They will meet again in the fall for 2<sup>nd</sup> and 3<sup>rd</sup> financials with comparison to budget. The date is to be determined.

**Golf Advisory:** Co-Chair Jim Brasher reported in the absence of Chair Jesse, stating that Director of Golf, Brian Duthu, presented an overall very positive report. Chris Linam reported issues with non-paying golfers and after 5pm golf, and the need for more Ranger presence. Course reports included improvements at North where ladies prefer to play winter rules from bare/wet areas; improvements needed at Lakes snack shop/patio; great greens at Lakes; good conditions at South; too many butts in bunkers on Willow/Creek; greens too long/too short; and cups too deep or too shallow. No report about progress in tee time selection at this time. Many positive opinions were expressed about the excellent course employees, including golf superintendents and their staff. The next meeting is September 17, 2015 at 8:30am.

**Insurance Committee:** Chair David Wieland reported the Committee had a presentation by RCSC's Insurance Broker and discussed renewal options for 2015-2016. The Committee has recommended to the Board a packet for renewal and the Motion will be presented in June. Chair

Wieland stated that RCSC brokers, from Lockton Companies, have done an excellent job for RCSC the past three years locating coverage that they believed were in RCSC's best interests, such as cyber coverage. They are constantly reviewing all the details to find ways to save RCSC money. Chair Wieland further stated he was pleased to report that the motion the Board will be voting on in June to accept the renewal quote reflects an overall 6% reduction in premium. This is a testament to the efforts not only of the Lockton team but also to Jan Ek and the RCSC management team. The next meeting date is to be determined.

**Lawn Bowling:** Chair Ida Eisert reported the Lakeview greens project has started and the initial delay should not impact original sprig planting date. Dirt was found under the Lakeview Greens instead of sand which is what was expected. A solution is being worked on for the shade problem that has been ongoing at Bell. The Committee discussed the importance of obtaining balance between water drainage of excess water while achieving water retention for good root growth. The Committee will not meet again until September 15, 2015 at 1:00pm.

**Outreach & Communication:** Chair Rich Hoffer reported the Committee reviewed surveys completed by new residents, with 16 responses provided within one week. They also discussed the problem and possible solutions to comment cards being turned in but no contact information being provided. While comment cards are a great way to share a suggestion or a complaint, it is really helpful for everyone to be sure and include contact info so responses can be provided. Often people fill out the form, expect an answer, but failed to put contact info on the cards. The next meeting is June 9, 2015 at 9:00am.

**Properties:** Chair Peter Lee reported that the Board, later this morning, will approve two new volunteers who have stepped up to take on the role of inspectors as part of the Committee. They are Lawrence Kloberdanz and Edna Gillis and Chair Lee thanked them both for volunteering. The last group of inspections for this quarter will begin the week of June 1<sup>st</sup> and then the Committee will meet with management the end of the month to review the inspections and any reported problems. The next meeting is June 30, 2015 at 9:00am – Lakeview Center Board Room.

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

### **Other Reports:**

**Sun City Foundation:** Director Lee, who serves as President of the Sun City Foundation, stated the Foundation is looking for additional directors. If anyone is interested, they can contact the Board Office.

### **Liaison Reports:**

**SCHOA:** Director Brasher, co-liaison for the Sun City Home Owners Association, stated he had attended SCHOA's last Board meeting, and was happy to report SCHOA is doing well with increased membership and treasury. SCHOA maintains a very active enforcement of violations of the Federal Age Overlay, with over 400 cases of underage cleared last year and another four

just last month. He also stated that SCHOA plays a very important role in the community and encouraged everyone to become members to support their efforts.

**SC Posse:** Director Lee, liaison for the Sun City Posse, reported he attended their monthly meeting to a full house of attendees. Maricopa County Sheriff is doing traffic enforcement in the west valley area, which will include Sun City. If stopped for a violation, a citation will be issued, so just a reminder for everyone to drive safely.

**Sun City Community Assistance Network (SC CAN):** Director Eisert, liaison for SC CAN, reported that CAN is the only AARP TaxAide site in the west valley that stays open year round. TaxAide volunteers help people who need to file amended returns or respond to IRS letters. Assistance is available on Monday, Tuesday, and Thursdays. She provided flyers at the meeting for anyone who wanted more information.

**Sun City Prides:** Director Eisert reported that she is a Member of the SC Prides and attends meetings regularly to keep the RCSC Board informed. She stated that the Prides are still working all summer and reported that Bruce Ogilvie, owner of Big O Tires located at 17039 Boswell Blvd., Sun City, gives the Prides complimentary service to all Prides vehicles. She stated Sun City is definitely a city of volunteers and extended a big thank you to Big O Tires.

**Member Comments:** The Board was commended for the projects being done and for keeping Sun City updated and renovated. There was a request that the Board continue their work when renovating Mountain View Center to include a performing arts theater with theater seating.

**Motions:** Following discussion by the Board, the following Motions were presented:

**#1: Long Range Plan and PIF Budget:** Director Hoffer moved for approval of the updated Preservation & Improvement Fund – Long Range Plan & Budget as detailed below. The Motion was seconded by Director Brasher. Under discussion, Director Eisert moved to amend the Motion by stating:

“Had I known that Willowcreek greens had a life expectancy of 8 to 10 years I would not have voted for the motion at the March 26, 2015 BOD meeting. Now that it is once again in this motion I am reluctant to vote yes. Both Director Brasher and Director Hoffer voted no in March. Moving on to Mountain View, I believe it is prudent to look at two possibilities in the renovation of Mountain View. Owing to the interest of the Members of the Corporation is a standard of care to do all we can as directors to protect assets diligently and goes to how we renovate our facilities. So having said that, I move to amend Motion #1 – PIF LR Plan:

*Willowcreek & Willowbrook*

After the word courses, strike “and greens at Willowcreek”

*Mountain View Center*

Add investigate two (2) possibilities: 1. before the word “complete”

After the word “storage.” add 2. Add/expand, remodel, and renovate current buildings

*So the amended motion reads:*

Willowcreek & Willowbrook irrigation system, pump stations both courses, reconstruction of irrigation lakes on both courses.

Mountain View Center – Investigate two potential possibilities:

1. Complete renovation with demolition of current buildings except Player's storage.
  2. Add/expand, remodel, and renovate current buildings.
- All else in the motion remains the same.”

The revised Motion, as presented by Director Eisert, was seconded by Secretary Lawry. President Schroeder called for a vote on the amended Motion which was not approved, with Directors Brasher, Hoffer, and Lee along with Treasurer Kennedy and President Schroeder opposed; Director Wieland abstained; and Vice President Jesse was absent. President Schroeder then called for a vote on Motion #1, as originally presented, and the Motion passed with Director Eisert and Secretary Lawry opposed. The Long Range Plan and PIF budget, approved by the Board is below:

**Recreation Centers of Sun City, Inc.**  
**Preservation & Improvement Fund**  
**Long-Range Plan & Budget**

<u><b>Project Description</b></u>	<u><b>Budgeted Project Cost</b></u>
<b><u>2016:</u></b>	
Lakes East - irrigation system	\$1,520,000
<b><u>2017:</u></b>	
Willowcreek & Willowbrook irrigation system, pump stations both courses, reconstruction of irrigation lakes on both courses, and greens at Willowcreek	\$6,800,145
Replace South Pro Shop & add golf cart storage	\$1,600,000
Replace Golf Maintenance Building- location TBD	\$750,000
<b><u>2018:</u></b>	
Replace Golf Maintenance Building- location TBD	\$750,000
<b><u>2019:</u></b>	
Payoff Solar System Lease	\$4,574,697
Replace Golf Maintenance Building- location TBD	\$750,000
<b><u>2020:</u></b>	
Mountain View Center - complete renovation with demolition of current buildings except Player's storage	\$9,500,000
Replace Golf Maintenance Building- location TBD	\$750,000
<b><u>2022:</u></b>	
Lakeview Center - renovation of current center structure	\$8,400,000

**#2 Funding Capital Reserve:** Treasurer Kennedy moved that Three Million Dollars (\$3,000,000) be moved from unrestricted operating funds into Capital Reserve restricted funds to fully fund the Capital Reserve account at a total of Five Million Dollars (\$5,000,000). The Capital Reserve Fund was previously funded annually from the Preservation and Improvement Fund (PIF) by a transfer of \$500,000 annually. This transfer from PIF will no longer need to occur. Seconded by Director Hoffer, the Motion was approved.

**#3 Properties Committee – Approval of New Members:** Director Lee moved that Lawrence Kloberdanz and Edna Gillis be approved to serve as members of the Properties 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 Wieland, the Motion was approved.

**#4 Finance & Budget Committee – Approval of New Members:** Treasurer Kennedy moved that Gary Cotton, Betty Pool and Mike O’Neill be approved to serve as members of the Finance & Budget 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 Secretary Lawry, the Motion was approved.

**#5 Sundial shower room project:** Director Brasher moved that the project for replacing the showers in the Sundial women’s locker room be approved for an unbudgeted capital expense of \$171,175. This project cannot be held to later date and is already in process as significant damage was found due to previous contractors not installing proper water resistant materials in 2002. The project will be funded by prior year excess. Seconded by Secretary Lawry, the Motion was approved.

**Next Meetings:** President Schroeder reported that the next Board/Member Exchange, with Agenda, is Monday, June 8, 2015, at 9:00am in Social Hall #3 at Lakeview Center. The next Regular Board Meeting is Thursday, June 25, 2015 at 9:00am at Sundial Auditorium.

**Adjournment:** The meeting adjourned at 10:00am.

Respectfully submitted,

Carol Lawry, Secretary