

RECREATION CENTERS OF SUN CITY, INC.

MINUTES OF THE REGULAR BOARD MEETING

Thursday, December 18, 2008

PRESENT: Denny Nichols, **President**; Jon Braemer, **Vice President**; Bill Johnson, **Treasurer**; Craig Brown, Shirley Humphrey, Sue Painter, Don Schordje and Gene Westemeier, **Directors**.

ABSENT: Warren Hoffmann, **Secretary**

ALSO PRESENT: Jan Ek, **General Manager**; Jim Wellman, **Assistant General Manager**; John Snyder, **Director of Golf & Grounds**; Marion Krell, **Director of Human Resources**; Chris Herring, **IT Director**; Bill Collier, **Director of Finance**; Randy Johnson, **Bowling Manager**; Deanna Szentmiklosi, **Executive Assistant to GM**; Linda Menna, **Executive Assistant to AGM**; Tim Gallen, **Communications**; Helen Thiel, **Executive Coordinator**, 93 RCSC cardholders and two members of the press.

Quorum: Treasurer Johnson verified that a Board Quorum was present.

Minutes: The minutes of the November 20, 2008 Regular Board meetings were approved as printed.

Installation of Directors: Four Directors elected at the December 9th election were installed by President Nichols. They are Gene Westemeier, Diane Worth and Tom Loegering, who will serve 3-years terms and Ann Ullman, who will serve a one-year term.

Management Reports: The management staff reports were given by Jan Ek, General Manager; Jim Wellman, Assistant General Manager; Chris Herring, Director of Information Technology; Marion Krell, Director of Human Resources; John Snyder, Director of Golf & Grounds; Randy Johnson, Bowling and Bill Collier, Director of Finance. These reports are posted on the corporate

DIRECTORS REPORTS:

Sun City Foundation: Vice President Braemer reported that the Foundation will hold a meeting on Friday, December 19th at 9:00 a.m. He thanked everyone for giving him the opportunity to serve the community stating that he was completing his three-year term.

Sundial lawsuit: President Nichols advised that a non-binding arbitration hearing has been set for the end of January in an attempt to reach a solution and settlement to the lawsuit.

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MEMBER COMMENTS:

Miles Sagen, 16781: Would like to see something done for the Visitor's Center by the RCSC. He noted that the Directors and volunteers do a lot for Sun City and have helped the library in the past. He hoped that some financial assistance could also be given to the Visitor's Center which does a lot for Sun City.

Ken Fold, 68351: Praised Director Don Schordje and Vice President Jon Braemer for their service on the Board for the past three years. He mentioned that there is room in the Bell Exercise room to build a box near the scales to store gym bags.

Bill Pearson, 22943: Thanked the Board members for serving. Reminded everyone of the 50th anniversary celebration in 2010. Encouraged members to think about helping with the events and noted that there isn't a lot of money floating around to fund these events. He stated that the committee would like to have big business support the celebration, but they won't be needed if everyone in the community gets involved by being part of the celebration.

He also explained that the curbside lanes on 103rd are designated for golf cars, according to Maricopa County Dept. of Transportation. He has heard rumors that golf car drivers have been fined by the Maricopa County Sheriff's Dept. for driving in those lanes and he hopes to have this issue resolved within the next two weeks.

MOTIONS:

#1 – BP #9 – Cardholder Guests & Host Punch Cards: The motion to amend BP#9 – Cardholder Guests & Host Punch Cards and replace the previous Board Policy #9 was presented by Director Painter, with an amendment to Section #6 lowering the age of guests to be accompanied by an authorized adult from 21 to 19. Motion was seconded by Director Westemeier and unanimously approved.

#2- BP #10 –Code of Conduct: Director Westemeier moved that the Board approve Board Policy Resolution #10 titled Code of Conduct & RCSC Rules and Regulations, as amended to replace the previous BP#10, titled the same. Director Westemeier then amended his motion to delete Section #3 under Golf Carts and Pull Carts eliminating the "all seats filled" policy. Motion was seconded by Treasurer Johnson and unanimously approved.

#3 – BP# 29 – Hearing Procedures & Cardholder Suspensions: Vice President Braemer moved that Board Policy Resolution #29, titled Hearing Procedures & Cardholder Suspensions, as amended, be approved to replace the previous BP #29, titled the same. Seconded by Director Westemeier, the motion received unanimous approval.

#4 – Lease to ADOT: A motion was made by Director Schordje to approve a lease to the Arizona Department of Transportation for use of RCSC property during the Grand Avenue

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re-construction project for a total of \$6,500 was unanimously approved after being seconded by Director Humphrey.

#5 – Bell Metal Shop Expansion Agreement: A motion was made by Vice President Braemer for the RCSC to agree to cooperate fully with the Bell Metal Shop Club in their proposed expansion was tabled on an 8-1 vote, following comments by 10 members who objected to the removal of one racquetball courts. VP Braemer opposed tabling the motion.

#6 – Annual Property Assessment Increase: Director Brown moved that the annual property assessment be increased to \$420 per year on the per property assessments and to \$210 per year on the per person assessments, effective April 1, 2009. He also moved that the Privilege Card cost be increased to \$210, also effective April 1, 2009. In addition he moved that credit cards be accepted as a form of payment for the annual assessments and Privilege Cards, effective April 1, 2009. Seconded by Treasurer Johnson the motion was unanimously approved.

#7 – Approval of the 2009 Operating and Capital Budget: Treasurer Johnson moved that the 2009 Operating and Capital Budget be approved as follows:

Operating Income	\$16,529,947	
Cost of Sales	\$ 342,684	
Wages, Taxes & Benefits	\$ 8,121,657	
Repairs & Maintenance	\$ 1,133,984	
R & M Projects	\$ 493,000	
Utilities	\$ 2,215,177	
General Operating Expenses	\$ 1,769,572	
Net Operating Excess		\$ 2,453,873
Other Income		\$ 4,000
Taxes, Insurance & Other Expense		\$ 470,792
Net Excess before depreciation		\$ 1,987,081
Capital Projects		\$ 1,787,000
Applied to Required Cash Reserves		\$ 200,081

The motion, seconded by Director Westemeier, was unanimously approved.

#8 – Lease Water Rights: Director Humphrey moved that the RCSC place its unusable 955.91 acre feet of Type 2 water rights with water brokers for lease, as available. The motion was unanimously approved after a second by Director Brown.

#9 – Library lease: The Board unanimously approved leasing the libraries located at the Bell Recreation Center and the Fairway Recreation Center to the Maricopa County Library Board. The motion was made by Director Painter and seconded by Treasurer Johnson.

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Before each motion was voted on, the Directors and cardholders were given the opportunity to speak. A total of 17 members expressed their opinions on the motions.

Meeting adjourned at 12:00 noon.

The next Regular Board meeting is scheduled for Thursday, January 29, 2009 in the Sundial Auditorium following the Annual Membership Meeting at 9:00 a.m.

Submitted by:

Warren Hoffmann

Warren Hoffmann, Secretary
RCSC Board of Directors.