

**RECREATION CENTERS OF SUN CITY, INC.
MINUTES REGULAR BOARD MEETING
December 20, 2012**

PRESENT: Vance Coleman, President; Dan Hill, Vice President; Cord Angier, Secretary; Treasurer Larry Klein; and Board Members Jim Brasher, Craig Brown, Linda Lindquist, Carole Martinez, and Bill Pearson

ALSO PRESENT: Jim Wellman, Assistant General Manager; Brian Duthu, Director of Golf; Linda Menna, Executive Assistant to AGM; Christy Kleinhans, RCSC Communication & Marketing Coordinator; Allen Kleinhans, RCSC Audio/Video Technician; Deanna Szentmiklosi, Executive Coordinator; 72 RCSC Cardholders and 2 members of the press

ABSENT: Jan Ek, RCSC General Manager

President Coleman called the meeting to order at 9:00am in the Sundial Auditorium.

- **Board Quorum:** Secretary Angier verified that a Board Quorum was present.
- **Minutes:** The Minutes of the November 29, 2012 Regular Board Meeting were unanimously approved.
- **Treasurer's Report:** Treasurer Klein presented the Treasurer's Report which was unanimously approved. The report is available on the RCSC website at www.sunaz.com.
- **Installation of Board Candidates:** President Coleman installed W James (Jim) Brasher, Ron Jesse and David Wieland as new Directors. Each Director was elected to three-year terms on the Board and will take their seats on January 1, 2013.
- **Management Reports:** Management reports were given by Jim Wellman, Assistant General Manager, and Brian Duthu, Director of Golf. Jim Wellman also provided General Manager Jan Ek's report, in her absence. Management Reports are also available at www.sunaz.com.
- **Committee Reports:** The Directors reported on committees as follows:

Bowling: Chair Martinez reported that Randy Johnson updated the committee on new mechanics now on staff at the Lakeview Center. This increases the mechanic staff to three full-time employees. Changes have been made in an effort to resolve the oil pattern issue and that seems to be improving.

Chair Martinez thanked Randy Johnson, the Director of Bowling, for his hard work overseeing the bowling program and contributions to the committee, and to all those who served on the Committee in 2012. The next meeting is January 3, 2013 at 9:00am.

Clubs Organization (COC): Chair Klein reported the Committee finalized discussion on the proposed BP12. This has been a difficult year for the Club Coordinators because of the changes to policy proposed by the Board. At the last meeting and thereafter, some of the Coordinators have decided to leave their positions. Chair Klein thanked all the Coordinators

who have served, some for many years, and wished them all the best. The next meeting is January 9, 2013 at 8:30am.

Elections: Chair Lindquist reported the election was held on December 11, 2012. There were close to 50 volunteers working at the polls and the Committee thanked everyone who worked. Chair Lindquist also thanked the Committee members themselves for their work this year, and the hours they worked during election day. The Committee will begin meeting again in 2013, but no date has been set for the next meeting.

Entertainment: Chair Martinez reported this was the Committee's last meeting for 2012. They reviewed two performances, both rated really well, with good attendance. One show, in particular, was really excellent. They had the largest crowd ever seen at the SunBowl with an estimated attendance of 4500. The temperature was perfect and the dance floor was packed most of the evening. The performers were Real Tones and they will most definitely be invited back in the future.

All in all, the Committee received numerous compliments on the shows that were provided in 2012. They look forward to continuing excellent shows for everyone in 2013. The next meeting is January 23, 2013 at 1:00pm.

Finance, Budget & Audit: Chair Klein reported the Committee has completed its work for 2012. He reminded everyone that at the Annual Member Meeting on January 26th, General Manager Jan Ek will be doing her annual budget presentation. He thanked Committee members for their work and shared a special thank you to the auditors who spend a great deal of time behind the scenes meeting with clubs and performing audits. The next meeting date has not been set, but will be announced when the date has been confirmed.

Golf Advisory: Chair Angier stated the Committee had reports from John Snyder, National Golf Maintenance; Brian Duthu, Director of Golf; and from the courses represented. The discussion for the meeting focused on the Ranger Program. The current Head Ranger, Jose Cordero, updated the Committee on his efforts over the past year. His one year elected term will be up in February. The Committee will be reviewing the ranger program further as more rangers are needed. Chair Angier thanked all the greens committee representatives who worked so hard on the Committee for 2012. He stated he could not say enough about the great effort everyone has put in and that he really enjoyed working with everyone who served. The next meeting is January 17, 2013 at 8:30am.

Government Affairs: Chair Brasher reported the Committee reviewed general issues and a discussion was had concerning County/State election results as well as possible issues for the next legislative session. While discussing the need for a mass transit plan for the Sun City area, member John Hemphill volunteered to be the Committee Representative and attend prospective meetings of other transit-related organizations. Mr. Hemphill will then be in the position to exchange information concerning the transportation needs of the Northwest Valley communities. The need for a universal Sun City zip code was discussed, as were property taxes. It was the consensus of the committee that they will continue meeting at quarterly intervals with the option of convening supplementary meetings at the call of the Chair as circumstances dictate. Chair Brasher thanked the committee for their work. The next meeting is March 7, 2013 at 1:00pm.

Insurance: Chair Brown reported the Committee will not be meeting again until after the first of the year when preparations will begin for the 2013 renewal process. Insurance coverage is getting more and more difficult so the committee members all spend a considerable amount of time reviewing options. Chair Brown thanked everyone for their work in 2012. The next meeting date has not been determined.

Lawn Bowling: Chair Hill stated that the Committee is made up of Lawn Bowling Club presidents and members who are appointed to help oversee maintenance of the lawn bowl greens. He explained the committee meets monthly and discusses any concerns with Assistant Manager Jim Wellman, whose team is responsible for maintaining the lawn bowl greens. Chair Hill thanked Mr. Wellman and his team for a job well done and also thanked the members of the committee for 2012. The next meeting date is January 29, 2013 at 11:00am (changed from the original date of January 15, 2013).

Long Range Planning: Chair Klein thanked all the members of the Long Range Planning Committee. He stated this dedicated group of individuals, some who have served for a number of years, spent an incredible amount of hours, not only at our monthly meetings, but actually doing a lot of work on their own in addition to attending meetings. Their tremendous efforts have resulted in the Board being able to approve a long term plan. Having a long-term plan laid out and approved by the Board is extremely beneficial to Members, who will know the direction being taken, and to the Management team who have to make decisions on what repairs or projects should be done and when. Chair Klein stated he could not say enough about the committee and their efforts. The next committee meeting is January 15, 2013 at 9:00am.

Marketing Committee: Chair Martinez reported the Committee held its last meeting of the year on December 18th and thanked everyone who volunteered their time and worked with her and Co-Chair Bill Pearson. The Committee will move into 2013 with renewed efforts to market Sun City and all the wonderful amenities. They will be working with RCSC Management to promote the January 26, 2013 Annual Member Meeting which is going to have a fantastic keynote speaker, entertainment, free food and more. They are also planning a large event on March 2nd, at Sundial, that will celebrate Sun City. Chair Martinez shared best wishes to everyone for a wonderful holiday season. The next meeting is January 22, 2013 at 1:00pm in the HR Meeting Room.

Member Communication: Chair Pearson reported the Committee meets once a month, except during the summer months, and literally everyone on the committee has served for several years which is amazing. The Board and Management do try to communicate in the best way possible but sometimes RCSC still gets it wrong. Regardless of how many ways information is provided, each method of communication can be made better in some way. The Committee will continue their efforts to enhance and improve communication in 2013. If anyone is interested in working towards that goal, they were encouraged to attend the Committee meetings. The next meeting is January 8, 2013 at 1:00pm.

Properties: Chair Angier reported the Committee has completed all its work for 2012, and their next inspection week is January 7-11, 2013. During that week, Committee members become property inspectors and walk through their assigned buildings noting any problems that they see. Assistant General Manager Jim Wellman receives all the reports and then Jim and his staff go over all the details to correct any problems. Chair Angier thanked everyone who served.

The next meeting is January 29, 2013 at 9:00am in Social Hall #2 at Lakeview Center.

NOTE: *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:** Members had questions or made comments to the Board about the 2013 budget, increased property assessments, BP12, Member cards, and use of the facilities.
- **Outgoing Board comments:** Outgoing Director Craig Brown provided closing comments saying it was an honor and pleasure being on the Board. He thanked RCSC General Manager and her staff for their help and support. He also stated he plans to remain on committees to continue providing service to the community.
- Outgoing President Vance Coleman thanked the local newspapers, stating while he did not always agree with what he read, they have communicated with the residents and that helps RCSC. He stated that new Board members have to remember there are varying interests and they will never please everyone with every decision. He stated the Board Directors do not always agree and discussions can be heated but in the end, he believes they come together with the best decision. President Coleman thanked RCSC Members for the opportunity to serve, and he thanked RCSC Management and staff.
- **MOTIONS:**

- **#1 – 401(k) Contribution:** Director Pearson moved that a corporate match be approved for the first \$500 contributed in the year 2013 to the 401(k) plan by each qualified plan participant. Seconded by Vice President Hill, the Motion was unanimously approved.
- **#2 – Disability Benefits:** Director Martinez moved that commencing January 1, 2013, RCSC provide to full-time employees disability benefits through Mutual of Omaha at a cost of \$15,814.08 per year for short term disability and at a cost of \$11,206.95 per year for long term disability for a three year period.

The reduction in medical insurance benefits to RCSC’s full-time staff in 2013 has led the Board to add these disability benefits to provide an overall benefit package to RCSC employees that helps maintain our key staff and remain competitive in seeking qualified candidates. Seconded by Director Lindquist, the Motion was unanimously approved.

- **#3 – 2013 Budget:** Treasurer Klein moved that the 2013 Operating and Capital Budget be approved as follows:

• Total Income	\$18,436,059
• Cost of Goods Sold	\$ 673,905
• Wages	\$ 4,915,546
• Payroll Taxes & Benefits	\$ 1,200,384
• Repair & Maintenance	\$ 6,942,584
• Utilities	\$ 2,454,164
• Operating Expenses	\$ 1,447,606
• Taxes, Insurance, Other Expenses	\$ 487,500
• Capital Projects & Equipment	\$ 1,561,000

Seconded by Director Brasher, the Motion was unanimously approved.

- **#4 – Annual Assessments:** Vice President Hill moved that the annual property assessments be increased to \$450 per year on the per property assessment basis and to \$225 per year on the per person assessment basis, effective February 1, 2013. Vice President further moved that the yearly Privilege Card cost be increased to \$225, also effective February 1, 2013. Seconded by Director Brasher, the Motion was unanimously approved.
- **#5 – 2013 Posse Donation:** Director Brown moved the Board of Directors for the year 2013 to approve a \$2500 donation to the Sun City Sheriff’s Posse as a gesture of goodwill for their continued assistance to the RCSC. Seconded by Treasurer Klein, the Motion was unanimously approved.
- **#6 – BP12:** Director Brasher moved that Board Policy Resolution No. 12, titled Chartered Clubs, as amended, be approved in its entirety and replaces previous Board Policies 12/12A titled Chartered Clubs Board Policy. Seconded by Vice President Hill, the Motion was approved, with Director Pearson opposed.
- **#7 – North Golf Course:** Director Angier moved that the Board of Directors approve the North Golf Course master plan as recommended by the North Course Green Committee and the 18 Hole North Women’s Golf League and proceed with the plan as defined in the following budget:

GOLF COURSE CONSTRUCTION COSTS:		
Mobilization	\$50,000	
Site Preparation	\$194,155	
Tree Removal & Pruning	\$256,000	
Earthwork & Shaping	\$175,000	
Golf Course Drainage	\$124,700	
Golf Course Irrigation	\$2,223,615	
Tee Construction	\$89,785	
Bunker Construction	\$206,238	
USGA Greens Construction	\$482,942	
Cart Path Construction	\$173,987	
Top Dressing Fairway & Rough	\$108,736	
Fine Grade & Seedbed Prep	\$203,307	
Planting	\$311,254	
Landscape	\$354,230	
Tax	\$235,065	
Irrigation System Contingency	\$200,000	
Golf Course Construction Contingency	\$100,000	
TOTAL GOLF COURSE CONSTRUCTION COSTS		\$5,489,014
ADDITIONAL ASSOCIATED COSTS		
Consulting Fees & Services	\$380,000	
Golf Course Grow-In	\$10,000	
Golf Course Start-Up	\$10,000	
TOTAL ADDITIONAL ASSOCIATED COSTS		<u>\$400,000</u>
GRAND TOTAL		<u><u>\$5,889,014</u></u>

Seconded by Director Brasher, the Motion was approved with Director Pearson and Director Lindquist opposed.

- **Upcoming Meetings:** The next Board/Member Exchange, with Agenda, will be Monday, January 14, 2013, at 9:00am in Social Hall #3 at Lakeview Center. The Annual Member Meeting will be Saturday, January 26, 2013 at Sundial Auditorium from 8:00am to 4:00pm; and the next Regular Board Meeting is Thursday, January 31, 2012 at 9:00am at Sundial Auditorium.

Adjournment: The meeting adjourned at 10:48am.

Respectfully submitted,

Cord Angier, Secretary