

RECREATION CENTERS OF SUN CITY, INC.
MINUTES REGULAR BOARD MEETING
December 19, 2013

PRESENT: W James Brasher, President; Dan Hill, Vice President; Cord Angier, Secretary; Larry Klein, Treasurer; and Directors Ron Jesse, Carole Martinez, Bill Pearson, and David Wieland

ALSO PRESENT: Jim Wellman, Assistant General Manager; Brian Duthu, Director of Golf; Theresa Cirino, Director of Member Services; Linda Menna, Executive Assistant to AGM; Joelyn Higgins, RCSC Communication & Marketing Coordinator; Deanna Szentmiklosi, Executive Coordinator; Allen Kleinhans, RCSC Audio/Video Technician; 21 RCSC Cardholders and 2 members of the press

ABSENT: Director Linda Lindquist and Jan Ek, General Manager

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

- **Pledge of Allegiance:** Everyone stood for the Pledge of Allegiance.
- **Board Quorum:** Secretary Angier 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.
- **Minutes:** The Minutes of the November 21, 2013 Regular Board Meeting were approved.
- **Treasurer's Report:** Treasurer Klein presented the Treasurer's Report which the Board approved. The monthly Treasurer's Report is available at www.sunaz.com, along with the monthly financials.
- **Installation of Elected Directors:** President Brasher installed the Directors Elect, Dan Schroeder, Peter Lee and Michael Kennedy, who will each serve three (3) year terms starting January 1, 2014.
- **Presentation of Plaques:** President Brasher presented plaques to outgoing Directors Cord Angier, Secretary; Dan Hill, Vice President; and Larry Klein, Treasurer, thanking them for their service to RCSC.
- **Management Reports:** Jim Wellman, Assistant General Manager; and Brian Duthu, Director of Golf, presented their Management Reports. Jim Wellman also presented the General Manager's report for Jan Ek, who was not in attendance. All the management reports are available at www.sunaz.com.
- **Committee Reports:** The Directors reported on committees as follows:
 - Bowling Committee:** Randy Johnson, Director of Bowling, reported to the Committee there was an unexpected increase in bowling participation resulting in added income. League bowlers at Bell Lanes increased from 799 last year to 802 this year, while Lakeview Lanes rose from 951 last year to 1055 this year, showing an increase of 107 new bowlers. Fred Jones, President of the Sun City Bowling Association, was pleased to announce the upcoming New

Years Eve bowling event was sold out in seven days. The next meeting is January 2, 2014 at 9:00am.

Clubs Organization (COC): The Committee heard reports from Assistant General Manager Jim Wellman who provided an update on various projects at the centers. There were reports from the COC's on their respective clubs and after business was finished, the Committee enjoyed a Christmas potluck hosted by Jeannie Klein. The Committee is in need of 3-4 additional members so anyone interested in learning more about this Committee, should contact the Board Office. The next meeting is January 8, 2014 at 8:30am.

Elections: Co-Chair Brasher reported in the absence of Chair Lindquist stating the Election was held December 10, 2013 with an excellent turnout, both walk-in voters and on-line voting which was introduced this year. Chair Brasher also thanked all the volunteers and Committee members who helped work on Election Day. The next meeting date has not yet been determined.

Entertainment: The Committee has not met since the last Board meeting so no report was given. The next meeting is tentatively scheduled for February 19, 2014 at 1:00pm.

Finance, Budget & Audit: The Committee has not met since the last Board meeting so no report was given. The schedule for meetings in 2014 has not yet been set, but typically is scheduled quarterly.

Golf Advisory: Chair Angier reported the Committee did not meet in December as the scheduled meeting was the same day as Beat the Pros Tournament and many of the Committee members were participating in that event. Brian Duthu put the tournament together to raise funds for the Management Team's 2013 fund-raiser and it was a great event. Chair Angier thanked Brian for his efforts, both for allowing all the golfers to enjoy the day and also for raising funds for Sun City Community Assistance Network. The next meeting date is January 16, 2014 at 8:30am.

Government Affairs: No report was given as the Committee had not met since the last Board meeting.

Insurance: Chair Wieland state the Committee has not met since the last Board meeting, although they are working on one additional piece to RCSC's overall insurance package which is cyber liability coverage.

Lawn Bowling: Chair Pearson reported the Committee had a report from Jim Wellman on maintenance, as well as reports from the Committee members on their various clubs. The next meeting is scheduled for January 21, 2014 at 1:00pm.

Long Range Planning: Nothing to report at this time.

Marketing Committee: Chair Martinez reported that prior to the next meeting, the Committee members will begin to consider the "Four P's" of marketing, which are: Product, Promotion, Price and Place. The Committee will be looking at how long range planning affects marketing and the use of committee meetings versus town hall meetings. Finally, the Committee discussed setting goals and standards to help establish what needs to be done in order to determine accomplishments, and that there are different perspectives on how leadership and

management should be conducted. The Committee was also advised the Visitors Center recently purchased a bus to take residents and visitors on tour, presenting the Centers, shopping and places such as Sunshine Service.

Member Communications: Chair Pearson reported the Sun City Yearbook is nearing completion and is expected to be complete for distribution at the Annual Meeting on January 25, 2014. He gave kudos to the Committee for the recommendation and thanked the Board for the wisdom to approve the recommendation. The book will be a great way to showcase Sun City. The next meeting will be determined after the 2014 meeting schedule is finalized.

Properties: Co-Chair Hill reported in the absence of Chair Lindquist stating this Committee meets quarterly and provides inspections of centers and golf course buildings. They have not met since October but inspections will be done starting in January and will continue during February and March. The reports are provided to Assistant General Manager Jim Wellman and he then meets with the Committee to discuss status of work that is being done as a result of the inspection reports. The next meeting is March 25, 2014 at 9:00am.

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.*

Sun City Foundation: President Pearson announced that the Foundation is hosting another Helping America See event with Olive Branch on January 11th. This program addresses the damage to eyes caused by blue lights from computers, LED televisions and so forth. It is expected that 120-150 free tests will be given at the event checking for macular degeneration. The event is completely devoted to eye health and anyone that is concerned with being able to see clearly as they age.

Sun City Visitor's Center: Director Pearson, who is liaison to the Sun City Visitor's Center, reported that the Visitor's Center has obtained a bus that will be able to take people on tours of Sun City and all the facilities; again, another great marketing tool.

- **Member Comments:** Members made comments or had questions on the following topics: the dog park rules, Sun City Concert Band performing at the SunBowl, and changes to Board Policy #27, Standing Committees.
- **Closing Remarks – Outgoing Directors:** Vice President Hill, Secretary Angier and Treasurer Klein spoke of their terms on the Board, thanking everyone for their support.

Treasurer Klein shared his belief that Sun City was only for grandparents when he first began visiting Sun City in 1976. He now knows Sun City is one of the best places someone could spend their retirement years. He praised the management team and other employees, all doing a great job. He also stated that while the Board did not always agree, he believes Sun City is a better place than when they started their service and that the accomplishments over the last three years have been good. All of his feelings on serving on the Board are positive and he hopes to continue serving in some small way.

Vice President Hill also thanked the management team and said the residents were blessed to have General Manager Jan Ek, who is one of a kind, and also thanked the Board's Executive Coordinator, Deanna Szentmiklosi, as well as other members of the management team. He stated that while the Board did not always get high kudos from everyone on each decision, it just comes

with the territory in serving on a board. He feels they all did the best they could and thanked the Members for allowing him to serve for the past three years.

Secretary Angier stated he first wanted to brag about the management team, stating he was really impressed and more than he thought he would be. He stated the team has a huge responsibility and deals with a great bit of conflict. In particular, there are often complaints about the assessments and any increases and he just wanted to remind Members of the great quality of life residents have in Sun City. Secretary Angier stated that he wanted everyone to know management does everything possible to keep costs down from that end. He stated his one regret was Board Policy 12 and trying to resolve the issue with the bands. While he is still proud of the revisions to the Policy, he would have liked to find a solution that was good for everyone. He also asked the incoming Board to continue working on the dog park issues, and he thanked President Brasher for his good job this past year. He ended by thanking everyone for allowing him to serve and stated he was proud of the work the Board has been able to do during his service.

- **MOTIONS:**

#1 Rental Rates: Secretary Angier moved for approval of updated rental rates for use of RCSC facilities, Cardholder and Non-Cardholder, as well as Competitive play rates. The Motion was seconded unanimously approved.

#2 401(k): Director Pearson moved for approval of a corporate match for the first \$500 contributed in the year 2014 by each qualified plan participant. The Motion was seconded and unanimously approved.

#3 Posse Donation: Director Jesse moved for approval of a \$2500 donation to the Sheriff's Posse for their continued assistance to RCSC. The Motion was seconded and unanimously approved.

#4 Annual Assessment: Vice President Hill moved for approval of an increase from \$450 to \$456 per year on per property assessment; \$228 per year on per person assessment, effective February 1, 2014. Yearly Privilege Card cost increased to \$228 per year, also effective February 1, 2014. The Motion was seconded and unanimously approved.

#5 2014 Operating and Capital Budget: Treasurer Klein moved for approval of the following 2014 operating and capital budget. The Motion was seconded and unanimously approved.

Total Income	\$18,806,136
Cost of Goods Sold	\$ 535,370
Wages	\$ 6,779,658
Payroll Taxes & Benefits	\$ 2,500,138
Repair & Maintenance	\$ 3,142,391
Utilities	\$ 2,516,506
Operating Expenses	\$ 2,256,529
Taxes, Insurance, Other Expenses	\$ 558,652
Capital Projects & Equipment	\$ 1,548,000

#6 Service Award Program: Secretary Angier moved for approval of the award program recognizing full-time employees of RCSC, employed for at least five (5) years. Service pins will no longer be used and eligible employees will qualify instead for monetary gift cards. Service pins already issued to employees who have completed 15 years before December 31, 2013 will have the option of completing their pin award. The Motion was seconded and unanimously approved.

#7 Board Policy #2: Director Wieland moved that Board Policy Resolution No. 2, titled Board of Directors, Management & Commissions, as amended, be approved in its entirety and replace previous Board Policy Resolution No. 2 titled Board of Directors, Management, Committees & Commissions. The Motion was seconded and unanimously approved.

#8 Board Policy #9: Director Martinez moved that Board Policy Resolution No. 9, titled Cardholder Guests & Host Punch Cards, as amended, be approved in its entirety and replace previous Board Policy Resolution No. 9 titled the same. The Motion was seconded and approved with Director Pearson opposed.

#9 Board Policy #10: Director Jesse moved that Board Policy Resolution No. 10, titled Code of Conduct & RCSC Rules & Regulations, as amended, be approved in its entirety and replace previous Board Policy No. 10, titled the same. The Motion was seconded and unanimously approved.

#10 Board Policy #11: Director Wieland moved that Board Policy Resolution No. 11, titled Use & Rental of RCSC Facilities & Property, as amended, be approved in its entirety and replace previous Board Policy Resolution No. 11 titled the same. The Motion was seconded and unanimously approved.

#11 Board Policy #12: Director Pearson moved that Form BP:12-11, titled Club Request for RCSC Sanctioned Event and Form BP:12-11(a), titled Instructions for Clubs Requesting an RCSC Sanctioned Event, of Board Policy Resolution No. 12, titled Clubs, as amended, be approved and replace previous Forms BP:12-11 and BP:12-11(a) titled the same. The Motion was seconded and unanimously approved.

#12 Board Policy #14: Director Jesse moved that Board Policy Resolution No. 14, titled Posting of Signs & Distribution of Literature, as amended, be approved in its entirety and replace previous Board Policy Resolution No. 14 titled the same. The Motion was seconded and unanimously approved.

#13 Board Policy #22: Director Martinez moved that Board Policy Resolution No. 22, titled Refunds, as amended, be approved in its entirety and replace previous Board Policy Resolution No. 22 titled the same. The Motion was seconded and unanimously approved.

#14 Board Policy #27: Vice President Hill moved that Board Policy Resolution No. 27, titled Sanding Committees, as amended, be approved in its entirety and replace previous Board Policy Resolution No. 27 titled the same. Government Affairs Committee and Long Range Planning Committee will no longer be Standing Committees but will operate as Ad Hoc Committees, as required by the Board. The Motion was seconded and approved, with Director Pearson and Treasurer Klein opposed.

#15 Board Policy #28: Director Wieland moved that Board Policy Resolution No. 28, titled Annual Property Assessments, Fees and Collections, as amended, be approved in its entirety and replace previous Board Policy Resolution No., 28 titled the same. The Motion was seconded and unanimously approved.

#16 Board Policy #29: Secretary Angier moved that Board Policy Resolution No. 29, titled Hearing Procedures & Cardholder Suspensions, as amended, be approved in its entirety and replace previous Board Policy Resolution No. 29 titled the same. The Motion was seconded and unanimously approved.

#17 Preservation & Improvement Fund & Long Range Plan & Budget: Treasurer Klein moved for approval of the Preservation & Improvement Fund – Long Range Plan, as follows: The Motion was seconded and unanimously approved.

Recreation Centers of Sun City, Inc.	
Preservation & Improvement Fund	
Long-Range Plan & Budget	
Project Description	Budgeted Project Cost
2013:	
North Golf Course - complete renovation - irrigation, main lines, bunkers, tees	\$5,421,597
2014:	
Capital Reserve	\$500,000
Beardsley Well Replacement	\$500,000
Sunland Well Replacement (new well)	\$1,200,000
Marinette - fitness center expansion, move spa outside, create pickleball center with some shade, rearrange outdoor walking track	\$3,250,000
Oakmont – new play pool	\$400,000
Bell - Tennis Court replacement	\$1,000,000
2015:	
Capital Reserve	\$500,000
Willowcreek & Willowbrook irrigation system	\$4,250,000
Willowcreek & Willowbrook – replace golf maintenance building, expand maintenance yard	\$1,000,000
2016:	
Capital Reserve	\$500,000
Riverview - irrigation, bunkers, tees, greens	\$5,365,500
2017:	
Capital Reserve	\$500,000
Lakes East - irrigation system	\$1,300,000
Remodel Lakeview - yoga, pilates, classrooms, club expansion, steam/sauna	\$1,000,000
2018:	
Capital Reserve	\$500,000
Replace Golf Maintenance Building (location TBD)	\$750,000

#18 Corporate Bylaws: Director Jesse moved that Article VI – Committees, Paragraph One, of the Corporate Bylaws, as amended, be approved in its entirety and replaces any previous Article VI, Paragraph One. He further moved that per Arizona Revised Statutes §10-3825, Article VI – Committees, Paragraph Two, of the Corporate Bylaws, as amended, be approved in its entirety and replaces any previous Article VI, Paragraph Two. Except for the revisions made to Article VI, all other provisions of the Corporate Bylaws remain unchanged. The Motion was seconded and unanimously approved.

#19 Volunteer Ranger Program: Secretary Angier moved for approval the Volunteer Ranger Program Outline and Ranger Manuel, which program will be directed by RCSC's Director of Golf. The Motion was seconded and unanimously approved.

#20 Board Policy #17: Vice President Hill moved that Board Policy Resolution No. 17, titled Golf, as amended, be approved in its entirety and replace previous Board Policy Resolution No. 17 titled the same. The Motion was seconded and unanimously approved.

- **Closing remarks:** President Brasher spoke of his year as Board President and thanked the Board for giving him the opportunity. He stated that outgoing Board member Craig Brown told him as President, his life would no longer be his own, and he admits that was very true. He stated, however, that he was helped with great Directors and being President was easier than it could have been with the assistance of great management.
- **Next Meetings:** President Brasher reported that the next Board/Member Exchange, with Agenda, is Monday, January 13, 2014, at 9:00am in Social Hall #3 at Lakeview Center. The Annual Member Meeting is January 25, 2014 at 9:00am. The next Regular Board Meeting is Thursday, January 30, 2014 at 9:00am at Sundial.
- **Adjournment:** The meeting adjourned at 10:50am.

Respectfully submitted,

Cord Angier, Secretary