

RECREATION CENTERS OF SUN CITY, INC.

MINUTES OF THE REGULAR BOARD MEETING

Thursday, November 20, 2008

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

ABSENT: Denny Nichols, **President**.

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**, 51 RCSC cardholders and two members of the press.

Vice President Braemer convened the meeting at 9:01 a.m.

Board Quorum: Secretary Hoffmann verified a Board Quorum was present.

Approval of Minutes: The minutes of the Regular Board Meetings of October 30, 2008 were approved.

MANAGEMENT REPORTS:

Management reports were given by each member of the Management Team. These reports are available monthly on the RCSC website at www.sunaz.com.

DIRECTORS REPORTS:

Lawn Bowling: Director Westemeier reported that the committee will meet on Dec. 10th at 1:00 p.m. in the Board Room at Lakeview Center.

Elections: This is a busy time of year for the committee, Director Schordje said. Early voting for the Board of Directors will take place during the Craft Fair at Sundial on Friday, Nov. 28th and Saturday, Nov. 29th. The general election will be held on Tuesday, Dec. 9th at three locations: Bell Multi-purpose room, Lakeview Social Hall #2 and Mountain View Auditorium. He advised that absentee ballots can be mailed to members by calling the RCSC. Director Schordje also clarified who can vote. He stated that the person's name must be on the deed and the member must be in good standing.

Legal: The committee meets on an as-needed basis and did not meet during this month, Secretary Hoffmann advised.

BOARD OF DIRECTORS REGULAR BOARD MEETING, THURSDAY, NOV. 20, 2008

Fire Dept.: The department averages 1,000 runs a month most of which are for medical calls or out of district runs, Secretary Hoffmann reported. He advised that painting of the fire hydrants is the responsibility of Arizona American Water, which owns the hydrants.

Sun City Posse: The Posse will elect a new commander in December, said Secretary Hoffmann.

Posse: The Posse will be holding its annual election in December, Secretary Hoffmann advised. He noted that more posse members are needed to patrol and perform administrative duties in the office.

Finance/Budget: A meeting has been scheduled for Tuesday, December 2nd at 9:00 a.m. in the Board Room to review the budget for 2009, Treasurer Johnson reported.

Insurance: The committee meets on an as-needed basis, Director Brown advised.

Entertainment: The meeting has been rescheduled for Thursday, December 4th at 11:00 a.m., Director Painter reported.

MEMBER COMMENTS:

Ken Fold, 68351: Because of the water shortage, he asked if overseeding would be skipped this year. John Snyder advised that overseeding has been completed for this year.

Olga Carlson, 43467: Said she wanted to make a motion to put a cap on the assessment fee as she believes all requests are falling on deaf ears. GM Ek stated that the management and Board are doing their best to keep the assessment down but have no control over a majority of the costs. Also, the facilities have to be maintained. Secretary Hoffmann advised that Sun City Foundation assists eligible members who need assistance in paying their annual assessment.

Paul Santoro, 20298: Does not believe RCSC should pay for the employee's medical insurance coverage. Feels golf fees are too high. Asked why the grass at Lakes West was cut at three different levels? Asked where the rock removal tool, which was purchased for \$12,000, was? GM Ek stated it was being used at a golf course that morning. Wondered why it was going to cost \$100,000 to level the tees when the golf courses bought a portable laser leveler. Concluded that RCSC is not doing a very good job in managing. Vice President Braemer stated that the courses are in the best shape he has seen in years.

Walter Schmitt, 38753: Wants the RCSC to hold increases down not to exceed \$400 per year. Does not agree everyone in Sun City should support the golf courses. Believes that eight courses and seven recreation centers are not needed as very few people out of the 40,000 use the facilities as they are not the magnet to attract people to Sun City. GM Ek explained that in the process of repairing the damage to Sundial, \$5 million had to be taken from the operating budget without

BOARD OF DIRECTORS REGULAR BOARD MEETING, THURSDAY, Nov. 20, 2008

increasing the membership assessment. She added that while RCSC is operating more efficiently there are still bills to pay. Director Humphrey stated that a large number of members are using, according to the monthly reports.

Ray Hatfield, 100710: Stated he know a couple of people who did not buy in Sun City because of the Capital Preservation fee. Believes that \$400 for a yearly card is a little steep for a single person. Director Schordje explained the reason for changing the assessment to per property from per person basis.

Joe Kolo, 27162: Complained that Lakeview has no monitors after 11:00 a.m. The water in Viewpoint Lake is one foot down because too much water is being put on the golf courses

Doug Barton, 34522. Thanked the Board for working for nothing. Stated there are ways to cut back. The RCSC got rid of a lot of “indians”, now it’s time to get rid of the “chiefs”.

Karen Scheuerman, 25869: Regarding earlier comments that the RCSC is overspending, she doesn’t believe there is a person in the room who has not been affected by the economic situation. The Board needs to be prudent but cannot stop maintaining the facilities.

Bob Frieders, 76599: Believes that the language in the annual property assessment notification should be restructured to be friendlier. Vice President Braemer advised that Cardholder Services is working on a revision.

Robert Scott, 39856: Congratulated the Board on a very nice presentation. Stated he attended the “Meet the Candidate” meeting the previous day to become acquainted with the candidates.

MOTIONS:

#1 – Donation to the Sheriff’s Posse: Moved by Treasurer Johnson and seconded by Director Westemeier, the Board unanimously approved a donation of \$700 to the Sheriff’s Posse of Sun City.

#2- Corporate 401(k) match: Secretary Hoffmann moved that a corporate match be approved for the first \$500 contributed in the year 2009 to the 401(k) employee plan by each qualified participant. The motion was seconded by Treasurer Johnson and was unanimous approval.

#3 – Medical Payments Deletion: At the recommendation of the Insurance Committee, Director Brown moved that the medical payments coverage be deleted in the General Liability section from the policy issued through The Hays Companies. The motion was unanimously approved after a second by Director Humphrey.

Before each motion was voted on, the Directors and cardholders were given the opportunity to speak.

BOARD OF DIRECTORS REGULAR BOARD MEETING, THURSDAY, NOV. 20, 2008

Meeting adjourned at 10:31 a.m.

The next meeting is scheduled for Thursday, December 18, 2008 in the Sundial Auditorium at 9:00 a.m.

Submitted by:

Warren Hoffmann

Warren Hoffmann, Secretary
RCSC Board of Directors.