RECREATION CENTERS OF SUN CITY, INC.
BOARD MEETING AGENDA
Thursday, June 27, 2019
Sundial Auditorium, 9:00 a.m.

- Call to Order
- Pledge of Allegiance
- Opening Remarks and Introductions
- Board Quorum Verification
- Approval of Agenda
- Approval of Minutes
- Approval of Treasurer’s Report
- Acceptance of Management Report
- Committee Recommendations:
  
  Long Range Planning Committee – Director Hoffer – see attachment
- Motions* – Third Reading:

  Third Reading Motion #1 by Vice President Lehrer - I move to accept the recommendation from the Long Range Planning Committee for access to data on all monitored and unmonitored club usage on a monthly basis.

  Third Reading Motion #2 by Vice President Lehrer - I move that RCSC Corporate Bylaws, Article VI titled Officers, Section 5 titled Secretary which reads, “The Secretary shall adhere to the duties of the Secretary as outlined in Robert’s Rules of Order and shall assure that the records of the Corporation are maintained and in order” be replaced in its entirety to read “The Secretary shall ensure that a record of the minutes of the organization are accurately maintained and available to the Members. The Secretary shall make certain that the Articles of Incorporation, Bylaws and Board Policy Resolutions are properly recorded and preserved.”

  Third Reading Motion #3 by Vice President Lehrer – I move to accept the Entertainment Ticketing plan as presented by Management on 5/30/2019. Events and Entertainment Department will be moved from the Lakeview Center to the Sundial Center and will occupy the RV Club storage space in the southwest corner of the auditorium for an unbudgeted cost of approximately $30,000 to be funded by prior year carry forward. Upfront cost of online ticketing for the integration of the software with RCSC’s TEG software system where all cardholder information is contained will be covered by the 2019 budget for this purpose. RCSC will pay $1.50 for every entertainment ticket purchased directly online and $0.25 for every entertainment ticket sold by RCSC in person or over the telephone for the use of the ticketing software as there is no cost for this upfront. RCSC will increase ticket prices from $3 to $4 per ticket for Cardholders, with an additional $2 premium for season tickets in the 3 front prime sections. Guest tickets (2 per Cardholder) will increase

* Member Comments also available after Second and Third Motion Readings only if Member has signed up prior to the meeting to speak about that motion.
$5 per ticket and will be available on December 2, 2019 when individual tickets go on sale. On the first day of tickets sales, doors will open at 5:30am at the Sundial Auditorium where Cardholders will receive their traditional numbered tickets and may leave and return or remain inside with use of restrooms and watch movies until their number is called after tickets go on sale at 8:30am for in person, on telephone or online ticket purchases.

- **Consent Agenda:**  None

- **Agenda Items:**
  1. WiFi – AGM Chris Herring

- **Member Comments**

- **Next Meeting Date** – September 9, 2019 at 9am at Sundial Auditorium

- **Unfinished/Future Business:**
  1. Lawsuit
  2. HUD – Claim
  3. Video Surveillance *(September 2019)*
  4. Mountain View Center

- **Adjourn**
At the Board meeting called to order by President DeLano at 9am on June 10, 2019 at Sundial Auditorium the following took place:

PRESENT: Jerry DeLano, President; Dale Lehrer, Vice President; Diana Graettinger, Secretary and Directors Mike Kennedy, Darla Akins, Stella Van Ness, Rich Hoffer

ALSO PRESENT: Jan Ek, General Manager; Brian Duthu, Director of Golf; Marcia Johnson, Corporate Executive Coordinator; Theresa Cirino, Director of Events & Entertainment; Allen Kleinhans & Mike Dvorak RCSC Audio/Video Technicians; 16 RCSC Cardholders and 1 member(s) of the press

ABSENT: Sue Wilson, Treasurer; Director Dan Schroeder; Chris Herring, Assistant General Manager; Joelyn Higgins, RCSC Communication & Marketing Coordinator

Pledge of Allegiance: Everyone stood for the Pledge of Allegiance.

Board Quorum: Secretary Graettinger verified that a Board quorum was present.

President Comments: President DeLano explained the process for a Board meeting and how the Board conducts business. He introduced the Board and staff members present.

Agenda: Motion by Vice President Lehrer to approve the Agenda as written, seconded by Director Kennedy. The Agenda was unanimously approved.

Minutes: Motion by Secretary Graettinger to accept Minutes as written, seconded by Director Van Ness. The Minutes of the May 30, 2019 Board Meeting were unanimously approved.

Committee Recommendations: None

Motions* – Second Reading:

1. Second Reading Motion #1 by Vice President Lehrer- I move to accept the recommendation from the Long Range Planning Committee for access to data on all monitored and unmonitored club usage on a monthly basis. Seconded by Secretary Graettinger, the motion passed 5-2 with President DeLano and Director Van Ness opposed and Treasurer Wilson and Director Schroeder absent.
2. **Second Reading Motion #2 by Vice President Lehrer** - I move that RCSC Corporate Bylaws, Article VI titled Officers, Section 5 titled Secretary which reads, “The Secretary shall adhere to the duties of the Secretary as outlined in Robert’s Rules of Order and shall assure that the records of the Corporation are maintained and in order” be replaced in its entirety to read “The Secretary shall ensure that a record of the minutes of the organization are accurately maintained and available to the Members. The Secretary shall make certain that the Articles of Incorporation, Bylaws and Board Policy Resolutions are properly recorded and preserved”. Seconded by Secretary Graettinger, the motion passed 7-0 with Treasurer Wilson and Director Schroeder absent.

3. **Second Reading Motion #3 by Vice President Lehrer** – I move to accept the Entertainment Ticketing plan as presented by Management on 5/30/2019. Events and Entertainment Department will be moved from the Lakeview Center to the Sundial Center and will occupy the RV Club storage space in the southwest corner of the auditorium for an unbudgeted cost of approximately $30,000 to be funded by prior year carry forward. Upfront cost of online ticketing for the integration of the software with RCSC’s TEG software system where all cardholder information is contained will be covered by the 2019 budget for this purpose. RCSC will pay $1.50 for every entertainment ticket purchased directly online and $0.25 for every entertainment ticket sold by RCSC in person or over the telephone. RCSC will increase ticket prices from $3 to $4 per ticket for Cardholders, with an additional $2 premium for season tickets in the 3 front prime sections. Guest tickets (2 per Cardholder) will increase $5 per ticket and will be available on December 2, 2019 when individual tickets go on sale. On the first day of tickets sales, doors will open at 5:30am at the Sundial Auditorium where Cardholders will receive their traditional numbered tickets and may leave and return or remain inside with use of restrooms and watch movies until their number is called after tickets go on sale at 8:30am for in person, on telephone or online ticket purchases. Seconded by Director Hoffer, the motion passed 7-0 with Treasurer Wilson and Director Schroeder absent.

**Motions* – Third Reading:**

1. **Third Reading Motion #1 by President DeLano** – I move that the Recreation Centers of Sun City, Inc. accept the coverages, carriers and premiums for insurance renewal commencing July 1, 2019, as recommended by RCSC’s broker, Lockton Companies, seconded by Director Van Ness, the motion passed 7-0 with Treasurer Wilson and Director Schroeder absent.

2. **Third Reading Motion #3 by Director Van Ness** – I move that Sun City Foundation Board Policy Resolution No. 1 titled Guidelines for Financial Assistance, Section 1.d be amended as follows: Applicant is an RCSC member whose annual assessment is current no more than 60 days past assessment due date, seconded by Director Hoffer, the motion passed 7-0 with Treasurer Wilson and Director Schroeder absent.
Agenda Items:

1. Add Mountain View Center to Unfinished/Future Business on the Agenda – Secretary Graettinger – Motion by Secretary Graettinger to add Mountain View Center to Unfinished/Future Business for Management to present initial plan by December 2020. Seconded by Vice President Lehrer. Director Hoffer stated that earlier this year the Board voted to limit projects to one at a time until it was complete and Grand Ave will not be done by December 2020. He also stated that he would be for adding it to the Unfinished/Future Business without a date. Secretary Graettinger agreed and withdrew the motion with approval by Vice President Lehrer and made a new motion to add Mountain View Center to Unfinished Business on the Agenda without a date. Seconded by Vice President Lehrer, the motion passed 7-0 with Treasurer Wilson and Director Schroeder absent.

2. Recording/Lien Fee Changes – GM Ek – Motion by Vice President Lehrer to accept the Recording/Lien Fee Changes. This would increase the Facility Agreement Recording fee which is currently $10.00 to $30.00 and the Lien Recording /Discharge Fee from $120.00 to $150.00 effective July 1, 2019. Seconded by Secretary Graettinger, the motion passed with 2nd & 3rd reading being waived 7-0 with Treasurer Wilson and Director Schroeder absent.

Member Comments:

One member expressed their feelings on the new board meeting format. A number of members asked for clarification on second reading motion #3 Entertainment Ticketing and a member talked about the Long Range Planning Committees recommendation to the Board.

Next Meetings: President DeLano reported that the next Board Meeting is Thursday June 27, 2019 at 9:00am in the Sundial Auditorium.

Adjournment: The meeting adjourned at 9:35am.

Respectfully submitted,

Diana Graettinger, Secretary
Recreation Centers of Sun City, Inc.
Treasurer’s Report
June 20, 2019

The balance of unrestricted funds as of May 31, 2019 was $16,878,191 which includes a $2.5M cash reserve. Restricted funds include the Preservation and Improvement Fund (“PIF”) and the Capital Reserve Fund. As of May 31, 2019, PIF had a balance of $12,708,957 plus $797,876 collected in May that was transferred into the PIF account the first part of June 2019. The Capital Reserve Fund had a balance of $5,215,938 as of month end.

The corporation operated within its budget for the 2019 fiscal year.

Respectively submitted by

____________________________
Sue Wilson, Treasurer
Recreation Centers of Sun City, Inc  
Balance Sheet  
Friday, May 31, 2019

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Current Year</th>
<th>Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Petty Cash</td>
<td>$13,387</td>
<td>$12,187</td>
</tr>
<tr>
<td>Cash in Bank</td>
<td>11,790,132</td>
<td>10,489,695</td>
</tr>
<tr>
<td>Cash - Money Market</td>
<td>2,574,672</td>
<td>2,296,678</td>
</tr>
<tr>
<td>Operating Reserve</td>
<td>2,500,000</td>
<td>2,500,000</td>
</tr>
<tr>
<td>Subtotal Cash and Investments</td>
<td>16,878,191</td>
<td>15,298,560</td>
</tr>
<tr>
<td>Preservation/Improvement Fund</td>
<td>12,708,957</td>
<td>16,287,542</td>
</tr>
<tr>
<td>Capital Reserve</td>
<td>5,215,938</td>
<td>5,095,405</td>
</tr>
<tr>
<td>PIF Pending</td>
<td>797,876</td>
<td>814,000</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>138,256</td>
<td>139,943</td>
</tr>
<tr>
<td>Accounts Receivable - Assessments</td>
<td>2,189,467</td>
<td>2,206,432</td>
</tr>
<tr>
<td>Deposits &amp; Prepaids</td>
<td>115,444</td>
<td>1,440,909</td>
</tr>
<tr>
<td>Inventory</td>
<td>121,887</td>
<td>115,363</td>
</tr>
<tr>
<td>Assets</td>
<td>38,166,016</td>
<td>41,398,154</td>
</tr>
</tbody>
</table>

| Fixed Assets | | |
| Land | 4,397,807 | 4,397,807 |
| Land Improvements | 31,595,615 | 31,515,466 |
| Buildings & Structures | 78,733,455 | 69,547,120 |
| Furniture, Fixtures & Equipment | 29,973,173 | 29,885,688 |
| Vehicles | 1,636,616 | 1,600,577 |
| Less: Accumulated Depreciation | (75,555,594) | (71,263,654) |
| Net Fixed Assets | 70,781,072 | 65,683,004 |
| Work in Progress | 12,169,569 | 7,706,140 |
| Total Assets | 121,116,657 | 114,787,298 |

| LIABILITIES & NET WORTH | | |
| Current Liabilities | | |
| Accounts Payable | 1,292,897 | 1,812,939 |
| Other Current Liabilities | 367,106 | 315,284 |
| Deferred Income | 8,415,996 | 8,018,505 |
| Pre Billed Assessments | 1,874,435 | 1,852,064 |
| Total Current Liabilities | 11,950,434 | 11,998,792 |

| Other Liabilities | | |
| Net Worth | 104,675,113 | 98,270,565 |
| Excess/Deficit Year to Date | 4,491,110 | 4,517,941 |
| Total Net worth | 109,166,223 | 102,788,506 |
| Total Liabilities and Net Worth | 121,116,657 | 114,787,298 |
## Recreation Centers of Sun City, Inc
### STATEMENT OF INCOME AND EXPENSES
For the Five Months Ending Friday, May 31, 2019

<table>
<thead>
<tr>
<th>Operating Income:</th>
<th>May Actual</th>
<th>May Budget</th>
<th>YTD Actual</th>
<th>YTD Budget</th>
<th>Prior YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Assessments</td>
<td>$1,020,288</td>
<td>$1,022,469</td>
<td>$5,138,691</td>
<td>$5,155,744</td>
<td>$5,102,668</td>
</tr>
<tr>
<td>Transfer &amp; Access Fees</td>
<td>73,200</td>
<td>74,665</td>
<td>317,400</td>
<td>376,645</td>
<td>349,084</td>
</tr>
<tr>
<td>Privilege &amp; Guest Cards</td>
<td>62,117</td>
<td>58,906</td>
<td>448,526</td>
<td>407,355</td>
<td>459,288</td>
</tr>
<tr>
<td>Food/Liquor Sales</td>
<td>53,629</td>
<td>49,799</td>
<td>345,446</td>
<td>353,183</td>
<td>373,092</td>
</tr>
<tr>
<td>Bowling Fees</td>
<td>37,092</td>
<td>34,594</td>
<td>347,132</td>
<td>330,623</td>
<td>342,459</td>
</tr>
<tr>
<td>Prepaid Green Fees</td>
<td>146,964</td>
<td>148,200</td>
<td>734,454</td>
<td>748,620</td>
<td>749,379</td>
</tr>
<tr>
<td>Prepaid Green Fees - Non Resident</td>
<td>10,238</td>
<td>6,725</td>
<td>50,967</td>
<td>38,000</td>
<td>37,306</td>
</tr>
<tr>
<td>Daily Green Fees &amp; Surcharge</td>
<td>194,714</td>
<td>179,358</td>
<td>2,164,919</td>
<td>2,254,699</td>
<td>2,179,443</td>
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<tr>
<td>Range Fees</td>
<td>16,389</td>
<td>13,600</td>
<td>125,311</td>
<td>131,155</td>
<td>123,851</td>
</tr>
<tr>
<td>Cart Rental</td>
<td>12,388</td>
<td>11,163</td>
<td>127,953</td>
<td>119,427</td>
<td>110,999</td>
</tr>
<tr>
<td>Merchandise Sales</td>
<td>13,418</td>
<td>12,889</td>
<td>93,936</td>
<td>126,941</td>
<td>125,221</td>
</tr>
<tr>
<td>Cardholder Programs &amp; Club Fees</td>
<td>2,265</td>
<td>260</td>
<td>237,851</td>
<td>230,810</td>
<td>281,722</td>
</tr>
<tr>
<td>Rental Income</td>
<td>27,876</td>
<td>28,485</td>
<td>134,398</td>
<td>133,104</td>
<td>127,232</td>
</tr>
<tr>
<td>Contributions</td>
<td>13,000</td>
<td>300</td>
<td>27,783</td>
<td>9,500</td>
<td>26,825</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>660</td>
<td>324</td>
<td>7,530</td>
<td>6,862</td>
<td>8,990</td>
</tr>
<tr>
<td>Total Operating Income</td>
<td>1,684,238</td>
<td>1,641,737</td>
<td>10,302,297</td>
<td>10,422,668</td>
<td>10,397,559</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Expenses:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>663,702</td>
<td>759,733</td>
<td>3,616,959</td>
<td>3,755,316</td>
<td>3,578,002</td>
</tr>
<tr>
<td>Payroll Taxes &amp; Benefits</td>
<td>173,669</td>
<td>203,133</td>
<td>917,589</td>
<td>1,015,665</td>
<td>914,060</td>
</tr>
<tr>
<td>Repairs and Maintenance</td>
<td>286,605</td>
<td>302,329</td>
<td>876,470</td>
<td>1,082,795</td>
<td>867,661</td>
</tr>
<tr>
<td>Utilities Expense</td>
<td>167,932</td>
<td>219,243</td>
<td>890,791</td>
<td>1,001,678</td>
<td>1,140,497</td>
</tr>
<tr>
<td>General Operating Expense</td>
<td>134,913</td>
<td>140,044</td>
<td>729,429</td>
<td>1,025,298</td>
<td>716,331</td>
</tr>
<tr>
<td>Cost of Food/Liquor Sold</td>
<td>14,096</td>
<td>16,374</td>
<td>100,686</td>
<td>117,926</td>
<td>109,288</td>
</tr>
<tr>
<td>Cost of Goods Sold</td>
<td>16,582</td>
<td>11,610</td>
<td>103,747</td>
<td>114,540</td>
<td>127,652</td>
</tr>
<tr>
<td>Cost of Goods Sold / Activities</td>
<td>139</td>
<td>791</td>
<td>60,490</td>
<td>61,425</td>
<td>102,191</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>1,457,638</td>
<td>1,653,257</td>
<td>7,296,161</td>
<td>8,174,643</td>
<td>7,555,682</td>
</tr>
</tbody>
</table>

| Net Operating Excess/(Deficit) | 226,600 | (11,520) | 3,006,136 | 2,248,025 | 2,841,877 |

<table>
<thead>
<tr>
<th>Other Income:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance Proceeds</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>275</td>
</tr>
<tr>
<td>Interest Income</td>
<td>5,793</td>
<td>0</td>
<td>24,219</td>
<td>15,000</td>
<td>13,511</td>
</tr>
<tr>
<td>Proceeds - Sale of Assets</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5,650</td>
</tr>
<tr>
<td>Investment Income (Unrestricted)</td>
<td>4,856</td>
<td>0</td>
<td>37,996</td>
<td>22,500</td>
<td>38,250</td>
</tr>
<tr>
<td>Total Other Income</td>
<td>10,649</td>
<td>0</td>
<td>62,215</td>
<td>37,500</td>
<td>57,686</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Expense:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax</td>
<td>11,592</td>
<td>13,749</td>
<td>60,540</td>
<td>68,745</td>
<td>63,934</td>
</tr>
<tr>
<td>Insurance</td>
<td>45,806</td>
<td>49,925</td>
<td>240,639</td>
<td>249,625</td>
<td>218,667</td>
</tr>
<tr>
<td>Investment Fees (Unrestricted)</td>
<td>0</td>
<td>0</td>
<td>4,888</td>
<td>5,000</td>
<td>4,196</td>
</tr>
<tr>
<td>Total Other Expense</td>
<td>57,398</td>
<td>63,674</td>
<td>306,067</td>
<td>323,370</td>
<td>286,800</td>
</tr>
</tbody>
</table>

| Depreciation               | 179,851    | (75,194)   | 2,762,284  | 1,962,155  | 2,612,763 |
Financial:

Financial Report
The Recreation Centers of Sun City, Inc. (RCSC) has ended May 2019 within its operating and capital budget year to date. Every division has met or exceeded its net operating budget projections year to date with Bowling and Member Services exceeding both income and expense targets. Golf revenue continues to fall short of budget due to unexpected, inclement weather driving gross income unfavorable by ($111,754) year to date. However, May year to date gross income improved by $17.4k over prior month. Golf net operating income remains favorable by $131,560 primarily driven by decreased spending in utilities and wages. General and Administrative expenses continue to be below budget with May ending $136,083 favorable to budget.

Cardholder Services
Payments on past due assessments in May were 12.3% of past due balances. Overall accounts receivable decreased in May by 1.2% and is up 6.0% from the beginning of the year. Overall accounts receivable past due balances have increased 7.56% since the beginning of the year. April assessments went 30 days past due at 6.7% rate and March assessments went 60 days past due at a 2.4% rate.

Payments from our third-party collections firm totaled $8,277 in May. Year to date payments through our third-party collections firm total $43,361. Payments made in May by Cardholders through the online RCSC Web Portal totaled $131,073 from 286 property owners. Year to date web portal payments total $719,238 from 1,563 property owners.

In May property transfer balances decreased by 4.4%. Outstanding balances related to property transfers represent 50% of all receivables and 52% of past due balances. Outstanding lender related balances decreased in May. At the end of May trustee sale notices on Sun City AZ properties ended at 37 and properties owned by lending institutions decreased to 5.

Projects:

Fairway Center
• Repaint Fairway Center
  Bid packet has been approved by the Board Bid Commission. Work will be scheduled after the completion of the projects at Bell Center due to the need to close the Fairway pool area to paint in that area.
  Contractor: Silverado Painting (Cost $75,000)

Bell Center
• Pool Deck Replacement
  Deck installation currently scheduled to begin on 7/8/2019.
  Contractor: Rubcorp, AZ Safety Surfacing (Cost $225,000)

• Lap Pool Pebble Sheen Replacement
  Work is in progress. Pebble sheen chip out is complete and waterline tile installed. Racing line tile and wall targets scheduled to be completed by 6/27/2019 and pebble sheen installed by 7/3/2019. This project includes the chip out of the existing finish, replacement of pebble sheen surface, waterline tile, depth markers, new drain covers, and LED retrofit kits for lights. Bid packet approved by Bid Commission and contract executed.
  Contractor: CDC Pools, RCSC Skilled Trades (Cost $59,263)

• Walking Pool Pebble Sheen Replacement
  Chip out completed, wall tile installed, and pebble sheen installation began on 6/17/2019. There were not any structural issues on the bench in the walking pool with the issue being a separation of the old pebble finish from the gunite surface. Completion of the pebble finish anticipated by
6/24/2019 with the pool ready for filling. The repair of the 2” water supply line is scheduled for completion by 6/21/2019 with the pour back of the deck concrete after. This project includes the chip out of the existing finish, repair of broken bench, repair of 2” water supply line, replacement of pebble sheen surface, waterline tile, depth markers, new drain covers, and LED retrofit kits for lights. Bid packet approved by Bid Commission and contract executed.

Contractor: CDC Pools, RCSC Skilled Trades (Cost $60,838)

- **Outdoor Spa Pebble Sheen Replacement**
  Chip out completed, wall tile installed, and pebble sheen installation scheduled to be completed by 06/24/2019 with the spa ready for filling. This project includes the chip out of the existing finish, replacement of pebble sheen surface, waterline tile, depth markers, new drain covers, and LED retrofit kits for lights. Bid packet approved by Bid Commission and contract executed.
  Contractor: CDC Pools, RCSC Skilled Trades (Cost $8,068)

- **Pool Filter and Pump Replacement**
  Replacement of the cartridge filters with sand filters for the walking pool and outdoor spa will be completed during the closure for the interior refinishing and deck replacement. Filters have been received and pending installation after the filling of the pool and spa.
  Contractor: Exceptional Water Systems, Osiris Pools and Spas (Budget $16,000)

- **Lapidary Club Room**
  Work is in progress. Bid packet approved by the Bid Commission. Club items/equipment have been moved out of the room. Demo of floor and remediation of environmental issues complete. Old light fixtures have been removed with electrical for new lights being roughed in. Pending next are the grinding of the floor in preparation of staining and sealing, and the installation of ceiling grid and new light fixtures. Project on target for completion by the end of July. Work will include flooring, ceiling grid, overhead lights, cabinetry, and environmental remediation.
  Contractor: Multiple (Budget $75,000)

- **Repaint Bell Center**
  Work is in progress. Work began in the pool area to complete this area during the pool closure. As of 6/20/2019 this area is almost complete. Project cost was higher than budget due to the extensive prep work and priming required to ensure paint adhesion to the stucco. Project includes painting of all buildings, doors, wrought iron and gates, light canopies, and block walls.
  Contractor: Ghaster Painting & Coatings (Cost $166,235)

- **Silvercraft Club Room**
  All bids have been received and the bid packet to be submitted to the Bid Commission by 6/28/2019 for approval. Work will include flooring, ceiling grid, overhead lights, cabinetry, paint and environmental remediation. Target is to begin work upon the completion of the Bell Lapidary club room work.
  Contractor: Multiple (Budget $78,000)

- **Table Tennis Flooring**
  This project includes the removal of the current VCT flooring, environmental remediation, floor prep and replacement with padded flooring material. Costs for the environmental remediation and floor prep increased cost over projected budget. Awaiting a secondary proposal for the floor demo and remediation for revised project costs. Upon receipt of this proposal the bid packet will be submitted to the Board Bid Commission for approval. This approval submission is projected to be completed by 6/28/2019.
  Contractor: TBD, AZ Resource Flooring (Cost $30,816)
• **Library Book Drop**
  Bids for the project have been received. The project will be presented for approval the week of 6/24/2019. This project includes the placement of library book drops on an island on the north access road behind the library, installation of an access gate in the block wall and lighting upgrades along the access road. The costs of this project are to be reimbursed by the Friends of the Library.
  Contractor: TBD (Cost TBD)

• **Social Hall Restroom Remodel**
  This project is the renovation of the restrooms at the Bell Center Social Hall. Due to delays in the review and updates of the design documents we will be unable to complete the work within the closure window. Unfortunately, this project will be delayed until 2020. The environmental remediation will be completed in July to resolve this issue.
  Contractor: TBD (Budget $90,000)

• **Social Hall Kitchen Retrofit**
  This project is the retrofit/remodel of the kitchen at the Bell Center Social Hall to a warming kitchen and replacement of the appliances. There is additional work in this kitchen with respect to cabinets, flooring and lighting. The scope may permit this project to be completed within the closure window in 2019. Awaiting the bid proposals for this work, including timeframes, for submission to the Board Bid Commission.
  Contractor: TBD (Budget $20,000)

**Grand**

• Bids from 4 general contractors were received by the 6/18/2019 deadline. These bids are currently being reviewed with the bid packet pending submission to the Bid Commission for this review.

• The permit for the deceleration lane from ADOT is still pending.

• Time has been spent with the Vintage Vehicle Club on the use of the space allocated for their club. The club has the space shell and is currently evaluating how to use the space. A subsequent meeting will be scheduled to plan this space. No progress on allocating the open club space in the second building has been made.

**Lakeview Center**

• **Upper Restroom Remodel**
  Final architectural designs took longer than anticipated to be completed due to additional mechanical review from a change in the layout. The revised plans have been received and are pending review. Anticipate submission to the Board Bid Commission is early July and completion of the project during the summer months.
  Contractor: TBD (Budget $110,000)

• **Center Upper Roof Recoat**
  No status change on this project. The upper roof on the Center building will have an elastomeric recoating applied. This project is approved by the bid commission based upon the size and lead time for the project it is to be completed in July.
  Contractor: Lyons Roofing (Cost $46,900)

• **Artists By The Lake Club Room**
  Work will include flooring, ceiling grid, overhead lights, cabinetry, paint and environmental remediation. Bid packet submitted to the Board Bid Commission and approved. Move of club items out of the room to begin 7/1/2019 with environmental remediation scheduled to start on 7/8/2019. Estimated to be a 6-week project to complete.
  Contractor: Multiple (Cost $59,000)
Marinette Center
- **Pool Deck Replacement**
  Work for this project likely to be pushed until the August/September timeframe. Formal bid packet for Bid Commission is pending.
  Contractor: TBD (Cost $125,000)

- **Pickleball Pavilion Lighting**
  The desired solution has been reviewed with the Pickleball Club. The club is comfortable with this solution under the understanding that the lighting levels will be approximately 100 foot candles at play level. This is in comparison to the current light levels of approximately 35 foot candles. The bid packet for this project to be submitted to the Bid Commission by 6/28/2019.
  Contractor: TBD (Budget $180,000)

Oakmont Center
- **Pool Shade Structure**
  The problem encountered on this project is the classification of the existing building, inclusive of the attached patio structure, and the new canopy. Based upon the classification of these buildings a setback between the two structures of 20’ is required. Maricopa County disagreed with an opposing interpretation submitted for the permit. Due to the required setbacks the installation of the canopy is not possible, and this project will be cancelled. Additional umbrella shades can be used to provide shade in this area.

Sundial Center
- **Club Restroom Remodel**
  Final architectural designs took longer than anticipated to be completed due to additional mechanical review from a change in the layout. The revised plans have been received and are pending review. Based upon project priorities this project will be delayed in starting until late summer. No change on this project as of 6/20/2019.
  Contractor: TBD (Budget $100,000)

South Pro Shop
- **No progress to date on the pending tasks that include wall coverings, pendant lighting at the seating bar, asphalt repair at the north and south ends of the parking lot, and building signage at the entry. The asphalt work is scheduled for completion during course closure for overseeding in the fall.**

**Golf & Grounds:**

Pro Shops
An unseasonably cool May resulted in an increase of 2,439 rounds over prior year. The rounds played in the May represented the highest total in the last four years. For the year Riverview has played 22,092 rounds, followed by Lakes West (22,003 rounds), North (20,182 rounds), South (19,300 rounds) and Willowcreek (19,213 rounds). Year to date 52% of rounds played have been played by holders of an Annual No Fee pass or an Annual Fee pass.

We are now accepting entries for the first Sun City event to be played on our golf simulator, the British Open – Sun City edition. Golfers will get to choose a day and time slot that best fits into their schedule. Play will take place between July 15 and July 19, with four time slots available each day. Applications may be picked up in any pro shop and turned in to the South Pro Shop.

Snack Shops
Snack shops are now closing at 1:00 p.m. on a consistent basis, though will remain open longer, depending on demand. After the snack shops close snacks and beverages are available through the pro shop.
Golf Courses

The bunker liner and sand replacement on the South Golf Course is now complete. Work is now focused on the rebuilding of the practice area. Shaping is complete, irrigation tie-in is complete, drainage is complete and root zone material is installed. Final grading, sodding of green surrounds and sprigging of the green surfaces will be completed by the end of June.

Final placement of the forward tees on Lakes West has been determined and the locations have been marked. Construction of the forward tees will begin in July, following completion of the South Golf Course Practice area.

On June 24th and 25th the courses finish up the second of our major agronomic practices, fairway aerification, on the Willowbrook Golf Course. Beginning June 27th we begin the most disruptive practice, greens aerification, on Quail Run Golf Course. Both aerification practices are designed to relieve compaction and provide airflow to the root system of both surfaces. Aerification will finish on the Willowbrook Golf Course the 7th of August. This year we have scheduled an extra day on each course for this process, the extra day will allow more time for clean-up and provide a buffer in the event of equipment malfunctions.

Lawn Bowling/Grounds

Routine mowing and rolling has resumed as of this week on lawn bowling greens. Bell was aerified on the 11th of June and Lakeview on the 13th of June. Cores were pulled and then sand was drug into the holes. After this process was completed the greens were watered, rolled and fertilized. We did not add top dressing during this process as we are working towards lowering the green surface. Beginning the week of June 24th weekly verticutting will be introduced to the routine maintenance schedule. The resurfacing of the Mountain View and Oakmont greens are advancing as expected. The softball field was verticut and vacuumed on the 19th of June, this process will continue weekly to eradicate the rye grass and promote Bermuda growth. The field was fertilized on June 24th and followed by an herbicide application to control nutsedge; this application will also impact any remaining rye grass.

General:

For those who may not be aware, the monthly management report is available on our website www.suncityaz.org under the RCSC tab. Also, if you have not done so already, please sign up on the RCSC email list where you can designate topics of interest and stay in the loop with RCSC News Alert Emails!
RECREATION CENTERS OF SUN CITY, INC.
LONG RANGE PLANNING COMMITTEE 2019

History

In December 2017, the board of the Recreation Centers of Sun City re-established the Long Range Planning Committee. The committee consisted of 9 members as follows:

Jean Buck  James McConnell
Norm Dickson  Gary Osier
Peggy Loken  Rich Peterson
Bill Loslo  David VanderNaalt
Lynn Lybolt

The board then appointed the Chair (Bruce Alleman) and Co-Chair (Jerry Walczak) in January 2018. The charge given the Committee was as follows:

“The Long Range Planning Committee is dedicated to advising the Board of Directors of the Recreation Centers of Sun City, Inc. to aid in maintaining their position of leadership among retirement communities. This is to be accomplished by focusing on the current needs of the Members and through research of the needs and desires of future Members. The Long Range Planning Committee shall provide the Board of Directors of the Recreation Centers of Sun City, Inc. with reports, recommendations, and suggestions regarding the future needs of its Members and a suggested time frame to implement future facilities and programs to meet these needs.”

Throughout 2018 the committee met and conducted research on other retirement communities throughout the U. S. In September 2018 the members reported that no other communities provided any activities that Sun City did not, except specialty activities such as horseback riding and large-water based activities. In all cases, home prices and fees were considerably higher.

In September, the Committee’s focus was changed to hosting town hall meetings regarding the future wants for the Mountain View Recreation Center property. On October 1, 2018, the committee held two town hall meetings, took input and produced a report for the board that was presented in November 2018.

In January 2019 a new Chair (Rich Hoffer) and Co-Chair (Dale Lehrer). In addition, 2 new members were added in February:

Bill Pearson  Ben Roloff

At the February meeting the committee formed two sub-committees: one to deal with the details of the future of the Lakeview Recreation Center; the other sub-committee to deal with future trends and demographics. That sub-committee consists of:

Peggy Loken  Bill Pearson
Norm Dickson  David VanderNaalt
Gary Osier

This subcommittee met on February 19, 2019, to discuss what a long range plan should look like and the key elements that should be involved. Gary and Bill, volunteered to put together individual first drafts for the rest of the sub-committee to review and edit.
RECREATION CENTERS OF SUN CITY, INC.
LONG RANGE PLANNING COMMITTEE 2019

Introduction

Sun City was -- and still is -- billed as a retirement community. The first sentence of the Committee’s charge says “to aid in maintaining their position of leadership among retirement communities.” If we take a look at the demographics the graphic below shows that by age 65 most people retire. This is the present situation.

Half of Americans retire between ages 61 and 65.

Below is a part of an article in USA Today that essentially indicates that almost 40% of Gen X does not expect to be able to retire. Add in those that choose to wait for maximum Social Security benefits at age 70 or older, and that number will approach 50% or more.

“Add Gen Xers to the long list of Americans who fear they won’t have a sizable enough nest egg to retire. Nearly four out of 10 (37%) of Generation X — those born between 1965 and the late 1970s — say they would like to stop working for good and ‘fully retire’ someday, but will not be able to afford to,” a new survey from TD Ameritrade, an online broker based in Omaha, found.

Other gloomy Gen X retirement findings:

- 43% say "they are behind" in their savings.
- Half (49%) are "worried about running out of money" once they leave the workforce.
- Nearly two out of 10 (17%) say they "aren't saving or investing for anything."
- Only a third expect to be "very secure" in retirement — vs. nearly half of Baby Boomers.

The savings shortfall has been exacerbated by the phasing out of traditional pensions funded by employers. In their place is the increasing reliance on 401(k) plans and IRAs that require workers to do most of the saving on their own. Gen Xers aren't alone in their
financial angst. The finances of the younger Millennial generation have been hurt by the Great Recession in 2008-09 and high college costs.

Older Boomers, according to the TD Ameritrade survey, are also uncertain about their preparedness, with just 47% saying they expect to be "very secure" in retirement. The oldest of the roughly 65 million Gen X Americans — those now 39 to 53 — will be the next generation to retire."

-- From USA Today, January 10, 2018

The Dreamer sub-group of the RCSC Long Range Planning Committee has been asked to let their minds roam freely across the spectrum of what Sun City should look like in the coming years. The most challenging aspect of that equation is that we need look at an entirely different generation from who we are, or what has mattered in the past.

Historically we have had two age groups; the "Greatest Generation" and the "Baby Boomers." Both came here with distinct advantages over the next wave of Sun City home buyers. The "pioneers" bought into Sun City while the Webb Corporation subsidized the infrastructure, and once DEVCO left, the ability to do much was limited by the resources available.

That all changed in 1998/1999 when the Preservation fund was started. Timing was critical because our amenities needed to be updated. "Boomers" were just beginning to hit the retirement marketplace and, like their earlier counterparts, defined benefit plans played an important role in being able to retire. Economic security was far more stable than what we see today and the Greatest Generation and the Baby Boomers came well established financially.

The worst mistake we could make today would be to assume that little has changed. Once we began researching the next generation of home buyers, Generation X'ers, we quickly understood how important it was to get our heads around what they would want/need to keep Sun City relevant for them. They clearly are different from past generations.

There is a bigger concern than just those differences. It is by far the smallest pool of potential buyers as there are only 49 million of them born in the years 1965-1984. Conversely, there were 75 million Boomers (1946-1964) and there will be 89 million Generation Y (born 1984-1996). Throw in the dynamic of new age-restricted communities opening monthly, and it becomes imperative Sun City position itself quickly because Gen X is just now hitting early retirement years.

As we looked at the characteristics that defined Gen X, several things stood out. Many of them were raised by divorced parents. Oddly, that has caused them to be more family focused. Combine that with the statistics that show retirees are less likely to move, often because 55-plus communities are opening all over the country. Clearly there will be a smaller pool of potential buyers for Sun City homes from Generation X.

It gets worse. Gen X was also born into the turbulent times where down-sizing, job loss and pension plans were changed to 401k's. They suffered through the market crash where home values were crushed and savings devastated. Adding to their woes is the question whether social security will be around for them. No question, they have saved far less than their older counter-parts and many will never retire.

There are bright spots however. Gen Xers are the most technologically savvy generation. Cell phones, iPads, PC's and smart home features are expected.
They understand they may well be working later in life than past generations, but that doesn't preclude them from moving and starting over. Career changes are not new to them and if they are inclined to start over, why not here?

All of which adds to Sun City's allure. Affordability will be imperative. Building an amenity package that serves their needs and marketing it properly will allow us a competitive edge that more expensive 55+ communities will never be able to compete with. We are well situated to make investments in those items they will find attractive, which means how we invest in our future is critical to our becoming a target market for Gen X buyers.

That means that Sun City may need to be looking at being a 55+ community instead of a retirement community to stay ahead of the trend. What does this mean? We can anticipate that we will be marketing to people that are still in the workforce at least until they are 70, and maybe longer. By 10 years from now we could have a substantial number of residents and potential residents that are looking for a community that provides for the working person. If we are to attract this next generation and future generations we will have to shift our focus.

The following changes can be anticipated:

- Most facilities open at night and weekends. This will also necessitate either paid monitors, or individual clubs keeping facilities open and functioning.
- Active sports and or activities will likely predominate.
- More pedestrian and bicycle friendly spaces may be needed.
- More pet friendlier facilities as the Millennials enter the market place.
- Several of the existing activities may change because of changing lifestyles.
- Technology will most likely dominate our access to and use of facilities. Examples are security cameras monitoring public areas, electronic access and accounting using the RCSC identification card/phone app.

A good long range plan requires foresight, vision and expanded input sources. That means we must be flexible and open to new ideas. To plan for future generations to come to Sun City, we will need to be innovative and find the things that the next generation wants and needs. The first thing we need to do is look at goals and their accompanying objectives; that will hopefully set us on the right road.
Proposed Goals and Objectives

There were 3 goals identified in the charge to the committee:

Goal 1: Maintain a leadership position among retirement communities.

Objectives:

1. The Long Range Planning Committee shall continuously research evaluate and report to the board at its first meeting in January on possible new trends and activities that could affect the long range viability and relevance of Sun City Recreation Centers.

2. By August 15, 2019, Long Range Planning Committee shall develop criteria for evaluating long term projects and activities. Criteria will be presented to the RCSC Board by October 1, 2019.

3. By December 15, 2019, it is recommended that the RCSC Board shall develop a system for evaluating and acting on recommendations from the long range planning committee. This should consist of direction indicating:
   A. Accept the recommendation, and direct staff to develop a timetable for accomplishment.
   B. Reject the recommendation, with reasoning.
   C. Direct further study or measurable data needs.
   D. Refer the recommendation to another committee for development, with reasoning and any needed measurable data.

4. By October 15, 2019 it is recommended that the RCSC Board direct the General Manager to review the virtual tour video developed by the information center to insure that active activities are highlighted in the virtual tour. In addition, the General Manager shall have developed either a separate video or an addendum to the existing virtual tour that highlights activities or plans that the RCSC has identified as the future of Sun City. It is also recommended that the RCSC Board direct the General Manager to update the video(s) as new ideas and activities are added and subtracted, so that RCSC offerings are kept up to date. This task shall be completed and reviewed by the RCSC Board by April 30, 2020. (This objective should be passed on to the Outreach & Communication Committee for execution.)

5. By January 15, 2020, it is recommended that the RCSC Board direct the General Manager to work with the Sun City Visitor Center to create an electronic system for recording the number of inquiries by specific activity either party receives either by phone, written, electronic or in person. The system should be such that any new activities that people are interested in can be easily added to the system. This will be used by the long range planning committee and RCSC to help evaluate long term trends. This system shall be in place and functioning by May 31, 2020. (This objective should be passed on to the Outreach & Communication Committee for execution.)
Goal 2: Focus on the current needs of the Members.

Objectives:

1. By April 15, 2020, it is recommended that the RCSC Board direct the General Manager to research and recommend to the RCSC Board an electronic system for members to automatically record their activity by swiping their rec. card. The system should also be used to open the doors of the activity or space thus the member gaining access. If it is a monitored activity the reader system can be shut down so that access is denied when not monitored. The system should be able to be programmed to change activities as the use of the space changes. Activity numbers can be automatically reported by day and month, and will be readily available to the General Manager, RCSC Board and the Long Range Planning Committee. *(Activities under this objective shall be accomplished in collaboration with the Outreach & Communication Committee.)*

2. By October 15, 2019, the Long Range Planning Committee shall develop a survey that can be utilized by existing members to report their interest in new and existing recreation activities provided by RCSC. It is recommended that the RCSC Board direct the General Manager to make the survey available to the members both electronically and manually by April 30, 2020. Results shall be compiled by the Long Range Planning Committee to be included in their yearly report to the RCSC Board.

Goal 3: Research the needs and desires of future Members.

1. Utilizing the figures from Goal 1 #5, the Long Range Planning Committee shall evaluate the data and make recommendations, if warranted, to the RCSC Board in their yearly report.

2. The Long Range Planning Committee will assign member(s) to review online trends (both internally and externally) for possible emerging and declining activities to be reviewed by the full committee for inclusion in their yearly report.

*The following goals were identified by the sub-committee:*

Goal 4: Increase safety and security throughout RCSC facilities.

1. It is recommended that RCSC Board direct the General Manager to develop a contract to retrofit the system identified in Goal 2 #1 to all RCSC facilities by June 15, 2020. The system should be installed and operational by June 30, 2021. The system shall be easily installed and adaptable to all new facilities.

2. By October 15, 2019, it is recommended that RCSC Board direct the General Manager to research and recommend a camera security system for installation at all RCSC facilities by March 31, 2020.

3. It is recommended that RCSC Board direct the General Manager to evaluate the feasibility and cost of a community wide Wi-Fi system that is password protected by the users’ RCSC identification card by May 31, 2020.
Goal 5: Maximize utilization of existing and future facilities.

1. The long range planning committee when developing criteria for evaluating projects to include multifunctional space, so that all space gets the maximum use. In addition, the LRP committee will make recommendations on possible consolidation of like clubs so dedicated space gets maximum utilization.

2. All clubs will be directed to evaluate their ability to be open in the evening hours so as to accommodate the anticipated influx of working 55+ members. All clubs with dedicated space will be required to provide a contingency plan for evening hours. Said plans will be submitted to the club services office by September 30, 2020.

3. It is recommended that RCSC Board direct the General Manager to develop criteria for evaluating space allocation by November 25, 2019. All criteria will be measurable and justifiable, so to be easily explained to the membership. Final allocations shall be made in consultation with involved club presidents. No new allocations shall be made until the criteria are approved by the board.

Goal 6: Establish a formula that uses financial and numerical data to arrive at objective decisions that will broaden the amount and type of input used to shape the future of Sun City.

1. The Long Range Planning Committee will use a specific procedure which specifies that all Committee recommendations be preceded by a thorough examination of all numerical data, involvement of the general membership views, and a written recommendation from the Committee which cites such data, the logic and reasoning behind such a recommendation. The Committee shall have this procedure in place by October 15, 2020.

This is just a preliminary plan that will continuously evolve with the yearly reports of the long range planning committee and approval by the RCSC. If the objectives outlined here are accomplished we will have a successful framework within which projects can be evaluated for financial and customer satisfaction. We anticipate that after the initial information is gathered, then adjustments will need to be continuous, if Sun City is to remain relevant and viable as a 55+ community.