

RECREATION CENTERS OF SUN CITY, INC.
BOARD MEETING MINUTES
September 9, 2019

At the Board meeting called to order by President DeLano at 9am on September 9, 2019 at Sundial Auditorium the following took place:

PRESENT: Jerry DeLano, President; Dale Lehrer, Vice President; Sue Wilson, Treasurer; and Directors Dan Schroeder, Mike Kennedy, Darla Akins, Stella Van Ness, Rich Hoffer

ALSO PRESENT: Jan Ek, General Manager; Chris Herring, Assistant General Manager; Bill Cook, Director of Finance; Brian Duthu, Director of Golf; Joelyn Higgins, RCSC Communication & Marketing Coordinator; Marcia Johnson, Corporate Executive Coordinator; Theresa Cirino, Director of Events & Entertainment; Allen Kleinhans & Mike Dvorak RCSC Audio/Video Technicians; 42 RCSC Cardholders and 1 member(s) of the press

ABSENT: Diana Graettinger, Secretary

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

Board Quorum: Vice President Lehrer 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 Treasurer Wilson to approve the Agenda as written, seconded by Vice President Lehrer. Director Hoffer made a motion that the Agenda be amended to remove the Long Range Planning Committees recommendation to the Board, seconded by Vice President Lehrer. The amendment passed unanimously with Secretary Graettinger absent. Vote was taken to accept the amended agenda and passed unanimously with Secretary Graettinger absent.

Minutes: Motion by Director Hoffer to accept Minutes as written, seconded by Director Schroeder. The Minutes of the June 27, 2019 Board Meeting were unanimously approved with Secretary Graettinger absent.

Committee Recommendations: None

Motions – Second Reading:

Second Reading Motion #1 by Treasurer Wilson – I move to accept Managements WiFi recommendations and to proceed with the internet speed upgrades and implementation of the additional access point and networking devices to provide a WiFi and networking platform that will meet the needs for chartered clubs. Total up front cost is estimated at \$26, 375.00 and the total annual increase in WiFi services expense is estimated at \$23,484.00. These fees would be included in the 2020 budget to allow completion of this upgrade project in 2020. Seconded by Vice President Lehrer, motion passed 8-0 with Secretary Graettinger absent.

Consent Agenda Items:

Motion by Director Schroeder to accept the Consent Agenda Items, seconded by Treasurer Wilson. Motion passed 8-0 with Secretary Graettinger absent.

Agenda Items:

1. New Owner Requesting Exception for Payment of PIF – GM Ek – Motion by Director Schroeder to deny the request for an exception for payment of PIF. Seconded by Vice President Lehrer, motion passed 8-0 with Secretary Graettinger absent.
2. Proposed amendments to BP32 titled General Manager – GM Ek – Motion by Treasurer Wilson to accept the proposed amendments to BP32. Seconded by Director Schroeder, motion passed 8-0 with Secretary Graettinger absent.
3. Proposed amendments to Corporate Bylaws – GM Ek – Motion by Vice President Lehrer to accept the proposed amendments to the Corporate Bylaws. Seconded by Director Akins, motion passed 8-0 with Secretary Graettinger absent.

Page 1–Definitions–K. Management

K. “Management” is defined as Senior Management: General Manager, Assistant General Manager, **Director of Finance**, Director of Golf and Grounds, Director of Bowling-Operations, Director of Human Resources, **and** Director of **Events & Entertainment** ~~Member Services and Controller.~~

Page 31–Article XIII Investments–Section 2: Standards of Care–Paragraph 2

Responsibility for the operation of the investment portfolio is hereby delegated to the **Director of Finance** ~~Controller~~, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with the Corporate Documents. The **Director of Finance** ~~Controller~~ shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

Page 32–Article XIII Investments–Section 4: Safekeeping and Custody

A. Internal Controls: The **Director of Finance** ~~Controller~~ shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be reviewed by the Investment Commission and with an independent auditor. The controls shall be designed to prevent the loss of funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by Officers and employees of RCSC.

Page 34–Article XIII Investments–Section 7: Reporting

A. Investment Commission: The Director of Finance ~~Controller~~ and/or assigned shall prepare an investment report at least quarterly that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the last quarter. This report will be prepared in a manner which will allow RCSC's Investment Commission to ascertain whether investment activities during the reporting period have conformed to the Corporate Documents.

4. Proposed amendment to BP12 titled Chartered Clubs – GM Ek, Motion by Director Schroeder to accept the proposed amendment to BP12. Seconded by Treasurer Wilson, motion passed 8-0 with Secretary Graettinger absent.

Page 10 & 11–Section 30. De-Chartering of Clubs–Paragraph 2

If a club is at the risk of being de-chartered, a notice will be sent to the club in writing by the Assistant General Manager, with a copy sent to the Board and the Club Organization Committee, stating the nature of the problem(s) and providing for assistance in rectifying the situation, if possible. A club shall be given ninety (90) days to rectify all matters excluding club membership, which shall have one year to rectify. Upon failure to rectify its issue the club shall be de-chartered by the Board.

5. Proposed amendment to BP25 titled Food and Beverage – GM Ek – Motion by Vice President Lehrer to accept the proposed amendment to BP25. Seconded by Director Van Ness, motion passed 8-0 with Secretary Graettinger absent.

Page 1 – Section titled Outside Food & Beverages

Outside food and beverages may not be permitted in the food and beverage establishments or on the contiguous patios at the golf courses or bowling center concourses so long as the food and beverage establishment is open for business.

6. Proposed amendment to BP10 titled RCSC Rules and Regulations – GM Ek - Amendments on Page 6, 8 and 9 – Motion by Treasurer Wilson to accept the proposed amendment to BP10. Seconded by Vice President Lehrer, motion passed 8-0 with Secretary Graettinger absent.

7. Proposed RCSC Facility Rental and Deposit Rates for both Cardholders and Non-Cardholders GM Ek – Motion by Vice President Lehrer to accept the proposed Facility Rental and Deposit Rates for both Cardholders and Non-Cardholders. Seconded by Director Schroeder, after discussion motion passed 8-0 with Secretary Graettinger absent.

8. Proposed Golf Fee Increases – GM Ek – Motion by Director Schroeder to accept the proposed golf fee increases. Seconded by Treasurer Wilson, motion passed 8-0 with Secretary Graettinger absent.

9. Members allowed to comment after each agenda item before Board vote – Motion by Director Akins to allow Cardholders the opportunity to speak on each agenda item as well as motions that are listed prior to Board vote. Second by Vice President Lehrer, motion passed 5-3 with Director Hoffer, Director Schroeder and President DeLano opposed and Secretary Graettinger absent.

Member Comments:

One member inquired about getting signatures to have Maricopa County make all railroad crossings a quiet zone. A couple members asked for an update on projects and a member spoke about the Long Range Planning Committee and their goals.

Next Meetings: President DeLano reported that the next Board Meeting is Thursday September 26, 2019 at 9:00am in the Sundial Auditorium.

Adjournment: The meeting adjourned at 10:30am.

Respectfully submitted,

Vice President Dale Lehrer, Acting Secretary