

**RECREATION CENTERS OF SUN CITY, INC.**  
**BOARD MEETING MINUTES**  
**September 26, 2019**

At the Board meeting called to order by President DeLano at 9am on September 26, 2019 at Sundial Auditorium the following took place:

**PRESENT:** Jerry DeLano, President; Dale Lehrer, Vice President; Sue Wilson, Treasurer; Diana Graettinger, Secretary 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, Noah Topscher & Mike Dvorak RCSC Audio/Video Technicians; 86 RCSC Cardholders and 1 member(s) of the press

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

**Presentation of MIA/POW Flag by DAR**

**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 Treasurer Wilson to approve the Agenda as written, seconded by Vice President Lehrer. The Agenda was unanimously approved.

**Minutes:** Motion by Treasurer Wilson to accept Minutes as written, seconded by Director Kennedy. The Minutes of the September 9, 2019 Board Meeting were unanimously approved.

**Treasurer's Report:** Motion by Vice President Lehrer to approve the Treasurer's Report, seconded by Director Van Ness. The Treasurer's Report was unanimously approved.

**Management Report:** Motion by Director Kennedy to approve the Management Report, seconded by Treasurer Wilson. The Management Report was unanimously approved.

**Committee Recommendations:** None

**Motions – Second Reading:**

*Second Reading Motion #1 by Director Schroeder* – I move to deny the new owners request for an exception for payment of PIF. Seconded by Vice President Lehrer motion unanimously passed. Motion by Treasurer Wilson to waive the third reading of the motion and pass second reading as final. Seconded by Vice President Lehrer, the motion passed unanimously.

*Second Reading Motion #2 by Treasurer Wilson* – I move to accept the proposed amendments to BP32 titled General Manager as attached. Seconded by Vice President Lehrer, the motion passed unanimously.

*Second Reading Motion #3 by Vice President Lehrer* – I move to accept the proposed amendments to the Corporate Bylaws as follows. Seconded by Director Schroeder, the motion passed unanimously.

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.

*Second Reading Motion #4 by Director Schroeder* – I move to accept the proposed amendment to BP12 titled Chartered Clubs as follows: Seconded by Treasurer Wilson, the motion passed unanimously.

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.

*Second Reading Motion #5 by Vice President Lehrer* – I move to accept the proposed amendment to BP25 titled Food and Beverage as follows: Seconded by Director Akins, the motion passed unanimously.

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

*Second Reading Motion #6 by Treasurer Wilson* – I move to accept the proposed amendments to BP10 titled RCSC Rules and Regulations as attached on Page 6, 8, and 9. Seconded by Vice President Lehrer, the motion passed unanimously.

*Second Reading Motion #7 by Vice President Lehrer* – I move to accept proposed RCSC Facility Rental and Deposit Rates for both Cardholders and Non-Cardholders as attached. Seconded by Treasurer Wilson, the motion passed unanimously.

*Second Reading Motion #8 by Director Schroeder* – I move to accept the proposed Golf Fee Increases as attached. Seconded by Director Akins, the motion passed unanimously.

*Second Reading Motion #9 by Director Akins* – I move to allow Cardholders the opportunity to speak on each Agenda Item as well as Motions that are listed on the Agenda prior to a Board vote. Seconded by Director Van Ness, after discussion, the motion passed 5-4 with Director Hoffer, Director Schroeder, Director Kennedy and President DeLano opposed.

**Motions – Third Reading:**

*Third 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 Director Hoffer, the motion passed unanimously.

*Third Reading Motion #2 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 Treasurer Wilson, after discussion, the motion passed 8-1 with President DeLano opposed.

**Consent Agenda Items:** None

**Agenda Items:**

1. Video Surveillance Proposal – AGM Chris Herring. Moved to unfinished business on agenda for further information.

2. Proposed amendment by Director Hoffer to BP12 titled Chartered Clubs, Section 19 titled Use of RCSC Facilities, paragraph one as follows:

Chartered Clubs are assigned temporary (*used only for a period of time by a club*) or dedicated (*used only by that club*) space **as designated by RCSC Management.** ~~However, Management may not take occupied club space for management's use. The Board~~ **RCSC Management** has the authority and responsibility to direct similar clubs to merge or share dedicated space in order to provide efficient utilization of RCSC Facilities. Seconded by Vice President Lehrer, the motion passed 8-1 with Director Kennedy opposed.

**Member Comments:**

One member agreed with the need for video surveillance and was pleased with the proposal. A couple members talked about "Roberts Rules" as they pertain to our meetings. The new Entertainment Ticketing Plan was discussed by a number of members with questions asked.

Director Van Ness made an announcement about the Sun City Foundation doing a project this year called "Santa's for Seniors" and explained the process.

President DeLano announced that an Executive Session will be held following this meeting in the Board Room at Lakeview for the purpose of Board decisions regarding legal matters.

**Next Meetings:** President DeLano reported that the next Board Meeting is Monday October 14, 2019 at 9:00am in the Sundial Auditorium.

**Adjournment:** Motion to adjourn by Treasurer Wilson. Seconded by Vice President Lehrer, the motion passed unanimously and the meeting adjourned at 10:16am.

Respectfully submitted,

Diana Graettinger, Secretary