

RECREATION CENTERS OF SUN CITY, INC.
BOARD MEETING AGENDA
Thursday, January 25, 2024
Sundial Auditorium, 9:00 a.m.

- Call to Order
- Pledge of Allegiance
- Welcome and Introductions
- Roll Call of Voting Members, Confirmation of Quorum
- Approval of Agenda
- Approval of Minutes
- Treasurer’s Report
- Management Report
- Recreation Center Update Report –General Manager
- President Comments
- Announcements
- Consent Agenda Item
 1. Name change from Bell Tea Dance Club to Bell Afternoon Dance Club per club’s request.
- New Business
 1. ***Vice President McAdam*** – I move to amend Board Policy 24 currently titled Preservation and Improvement Fee and Fund to be renamed to Preservation & Improvement Fee/Capital Improvement Fee and to add verbiage on the Capital Improvement Fee.
 2. ***Director Kise*** – I move to approve the Mountain View Recreation Center renovation elements developed by the Board of Directors and to direct the General Manager to use the elements to seek bids to renovate the recreation center.

RECREATION CENTERS OF SUN CITY, INC.
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Thursday, January 25, 2024
Sundial Auditorium, 9:00 a.m.

The Next meeting will be the Exchange Meeting on February 12, 2024 at 9:00am in the Sundial Auditorium. The next meeting of the Board of Directors will be on February 29, 2024, at 9:00am in the Sundial Auditorium.

Adjournment

Recreation Centers of Sun City, Inc.

Treasurer's Report

January 25, 2024

The balance of unrestricted funds as of December 31, 2023, was \$18.5 million, which includes a \$2.5M cash reserve. Restricted funds include the Preservation and Improvement Fund ("PIF") and the Capital Reserve Fund. As of December 31, 2023, PIF had a balance of \$33.1 million and the Capital Reserve Fund had a balance of \$5.6 million.

The Carryforward balance (which is a component of the unrestricted funds balance) was \$10.4 million as of December 31, 2023.

The corporation operated within its budget year-to-date in 2023.

Investment Report: Fourth Quarter 2023:

RCSC's Investment Policy (Bylaws Article XIII) is stringent in its requirements with the priority of investment objectives which are placed in this order: 1) safety, 2) liquidity, and 3) yield.

As of December 30th, 2023, \$4,253,215 (cost basis) of the \$2.5M unrestricted cash reserve and other unrestricted funds have been invested in various FDIC insured treasury bills and corporate bonds. In 2023, these investments along with the unrestricted money market account have produced interest income of \$106,056 with management fees of \$9,602 for a net income on unrestricted fund investments of \$96,454.

At the end of December 2023, \$4,538,319 (cost basis) of the \$5.6M restricted capital reserve plus interest earned has been invested in various FDIC insured treasury bills, mutual funds, and corporate bonds. Year-to-date, these investments have produced interest income of \$72,523 with management fees of \$9,937 for a net income on restricted capital reserve investments of \$62,586.

At the end of the fourth quarter of 2023, \$27,819,348 (cost basis) of the \$33.1 million in the restricted Preservation and Improvement Fund has been invested in various FDIC insured treasury bills, mutual funds, and corporate bonds. Year-to-date these investments have produced interest income of \$277,040 with management fees of \$50,495 for a net income on restricted fund investments of \$226,545.

Respectively submitted by

Anita Borski, Treasurer

Recreation Centers of Sun City, Inc

Balance Sheet

Sunday, December 31, 2023

	Current Year	Prior Year
ASSETS		
Cash and Investments		
Petty Cash	\$12,287	\$12,287
Cash in Bank	13,215,772	12,775,292
Cash - Money Market	2,728,624	2,523,394
Operating Reserve	2,500,000	2,500,000
Subtotal Cash and Investments	18,456,683	17,810,973
Preservation/Improvement Fund	33,124,228	32,231,742
Capital Reserve	5,644,706	5,432,617
Accounts Receivable	89,914	118,973
Accounts Receivable - Assessments	406,406	469,838
Deposits & Prepaids	282,404	407,735
Inventory	170,987	174,440
Subtotal Cash, Investments and Other Current		
Assets	58,175,328	56,646,318
Fixed Assets		
Land	4,397,807	4,397,807
Land Improvements	40,931,594	40,925,972
Buildings & Structures	99,518,356	90,992,560
Furniture, Fixtures & Equipment	33,373,574	33,110,451
Vehicles	2,005,551	1,882,190
Less: Accumulated Depreciation	(101,127,879)	(95,289,278)
Net Fixed Assets	79,099,003	76,019,702
Work in Progress	9,574,199	8,607,763
Total Assets	146,848,530	141,273,783
LIABILITIES & NET WORTH		
Current Liabilities		
Accounts Payable	542,793	701,622
Other Current Liabilities	267,207	339,732
Deferred Income	8,110,971	8,245,890
Deferred PIF Income	31,893,755	31,366,656
Pre Billed Assessments	0	83,214
Total Current Liabilities	40,814,726	40,737,114
Other Liabilities		
Net Worth		
Net Worth	100,536,669	97,664,481
Excess/Deficit Year to Date	5,497,135	2,872,188
Total Net worth	106,033,804	100,536,669
Total Liabilities and Net Worth	146,848,530	141,273,783

Footnote: The 2022 year-end Carryforward balance was \$9.9 million.

Recreation Centers of Sun City, Inc
STATEMENT OF INCOME AND EXPENSES
For the Twelve Months Ending Sunday, December 31, 2023

	December Actual	December Budget	YTD Actual	YTD Budget	YTD Variance	Prior YTD
Operating Income:						
Property Assessments	\$1,136,651	\$1,103,428	\$13,262,596	\$13,639,238	(376,642)	\$12,949,538
Transfer & Access Fees	38,100	62,500	591,023	750,000	(158,977)	721,230
Privilege & Guest Cards	70,493	66,632	872,568	820,995	51,573	821,276
Food/Liquor Sales	90,624	81,140	930,777	950,901	(20,124)	838,941
Bowling Fees	84,258	80,396	921,033	810,842	110,191	799,843
Prepaid Green Fees	169,571	176,106	2,116,549	2,113,272	3,277	2,075,182
Prepaid Green Fees - Non Resident	31,433	25,583	383,672	319,105	64,567	319,581
Daily Green Fees & Surcharge	463,744	376,002	4,335,461	4,166,739	168,722	4,456,332
Range Fees	29,475	26,985	323,327	337,690	(14,363)	333,007
Cart Rental	48,339	39,538	472,812	463,962	8,850	439,678
Merchandise Sales	16,016	14,807	170,565	166,376	4,189	161,729
Cardholder Events & Club Fees	225	100	311,362	304,750	6,612	268,701
Rental Income	23,535	20,316	307,684	302,867	4,817	278,058
Contributions	27,530	7,000	47,065	23,550	23,515	38,266
Miscellaneous Income	4,567	3,435	53,713	13,621	40,092	40,412
Total Operating Income	2,234,561	2,083,968	25,100,207	25,183,908	(83,701)	24,541,774
Operating Expenses:						
Salaries and Wages	1,209,705	1,267,305	10,635,778	10,878,004	(242,226)	9,444,066
Payroll Taxes & Benefits	274,069	228,530	2,082,881	2,505,144	(422,263)	1,971,805
Repairs and Maintenance	327,022	181,522	3,632,529	3,351,130	281,399	2,935,927
Utilities Expense	302,550	195,264	2,907,667	2,581,438	326,229	2,593,240
General Operating Expense	247,852	259,305	2,731,580	2,949,859	(218,279)	2,669,074
Cost of Goods Sold -Food & Liquor	29,247	27,707	299,705	318,339	(18,634)	284,181
Cost of Goods Sold - Merchandise	21,222	20,381	244,495	235,866	8,629	210,387
Cost of Goods Sold - Events	4,174	150	100,338	84,300	16,038	92,624
Total Operating Expenses	2,415,841	2,180,164	22,634,973	22,904,080	(269,107)	20,201,304
Net Operating Excess/(Deficit)	(181,280)	(96,196)	2,465,234	2,279,828	185,406	4,340,470
Other Income:						
Other Income	12,500	0	133,680	0	133,680	0
Insurance Proceeds	0	0	16,444	0	16,444	0
Interest Income	63,822	0	627,088	30,000	597,088	158,582
Proceeds - Sale of Assets	407	0	2,407	0	2,407	100
Grant Revenue	0	0	525,000	0	525,000	0
Investment Income (Unrestricted)	(578)	4,682	338,629	56,250	282,379	74,579
Unrealized Gains/Losses Investments (Unrestricted)	(123,797)	0	(123,797)	0	(123,797)	(248,104)
Total Other Income	(47,646)	4,682	1,519,451	86,250	1,433,201	(14,843)
Other Expense:						
Property Tax	11,555	12,255	146,105	147,060	(955)	144,313
Insurance	91,478	73,384	1,007,189	899,322	107,867	768,552
Investment Fees (Unrestricted)	0	0	9,602	10,000	(398)	8,436
Other Expense	7	0	88	0	88	0
Insured/Uninsured Losses	0	0	(6,310)	0	(6,310)	5,517
Total Other Expense	103,040	85,639	1,156,674	1,056,382	100,292	926,818
Net Excess/(Deficit) Before	(331,966)	(177,153)	2,828,011	1,309,696	1,518,315	3,398,809

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

December 14, 2023

At the Board meeting called to order by President Fimmel at 9:00am on December 14, 2023 at Sundial Auditorium, the following took place:

PRESENT: Kat Fimmel, President; Karen McAdam, Vice President; Jean Totten, Secretary and Directors John Fast, John Nowakowski, Steve Collins, Jim Rough, Denny Nichols

ALSO PRESENT: Matthew D'Luzansky, General Manager; Brian Duthu, Director of Golf and Grounds; Michael Wiprud, Director of Buildings & Infrastructure; Kevin McCurdy, Director of Finance; Beth Lucas, SCVC & Marketing Manager; Joelyn Higgins Communications & RCSC Marketing Coordinator; Mike Dirmyer, Director of Bowling; Marcia Johnson, Corporate Executive Coordinator; Allen Kleinhans and Doreen Rafferty, Audio/Video Engineers; 70 RCSC Cardholders and 0 member(s) of the press

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

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

Prior to approval of the Agenda, President Fimmel asked for approval from the Board to add a presentation from Director of Golf, Brian Duthu in front of the Committee Recommendations and to move the Consent Agenda item to New Business. The Board approved the changes to the Agenda.

Approval of Agenda: With no objections presented, the Agenda is approved as amended.

Approval of Minutes: With no questions noted, the Minutes of the November 16, 2023 Board Meeting were approved as presented.

Treasurers Report: Vice President McAdam read the Treasurers report. Questions were answered and the Treasurers Report was filed for audit.

Management Report: With no questions on the Management Report, the Management Report has been accepted as presented.

Installation of 2024 Directors Elect: President Fimmel installed Anita Borski, Connie Jo Richtmyre, Preston Kise and James Rough. Three Directors Elect will serve a three (3) year term and Anita Borski will serve a one (1) year term all starting January 1, 2024.

Presentation of Plaques: President Fimmel presented a plaque to outgoing Director John Nowakowski and thanked appointed Directors Denny Nichols & Jim Rough who completed terms for 2023. Director Nowakowski made his outgoing comments.

Recreation Center update Report: General Manager D’Luzansky gave an update on the Centers and current projects.

President Comments: President Fimmel thanked the Membership for their support in 2023 and felt that it was a very productive year and prepared us for the future.

Announcements:

Secretary Totten stated that the Friends of the Library is currently meeting and that she has nothing to report.

Secretary Totten also had nothing to report on SCHOA or SCHOA Roads as they weren’t scheduled to meet until after this meeting.

Secretary Totten said we had a tumultuous, productive and transparent year. In spite of changes, the staff of RCSC has not missed a beat and I feel they deserve a round of applause.

Golf Presentation by Director of Golf Brian Duthu: Golf Cart impact on Courses.

Committee Recommendations:

1. **Director Nowakowski** – On behalf of Director Collins and the Golf Advisory Committee (GAC), I move to amend Board Policy #17 titled Golf, Section titled Green Committee as follows:

Green Committee

RCSC Green Committees are a subsidiary committee under the Golf Advisory Committee. Each golf course shall have one Green Committee composed of up to 3 male golfers and 3 female golfers. Green Committee members must be RCSC Members in good standing. They do not have to be members of the Sun City Men’s Golf Association (SCMGA) or the Sun City Women’s Golf Association (SCWGA). Notice of vacancies and sign-up sheets to serve on a Green Committee will be posted at the pro shops sixty (60) days before election date. Each Green Committee will have a maximum of six **voting** members. The term of each member will be ~~a maximum of two (2) three-years terms~~. If there are more than three male or three female candidates for a Green Committee then an election must be held and conducted by **their respective Greens Committee**, ~~the SCMGA or the SCWGA respectively~~. Ballots will be collected at the pro shop **or by the Greens Committee**.

Each Green Committee may select two members, one male golfer and one female golfer, to represent the golf course on the Golf Advisory Committee, a standing committee to the RCSC Board of Directors. The selected representatives of each Green Committee will attend Golf Advisory Committee meetings and will have a vote on matters presented to the Golf Advisory Committee.

The Green Committees will meet once a month **except June through September** at ~~their courses~~ **a select location** on a date convenient for its members and the course superintendent. Green Committee members will listen to golfers’ complaints and concerns in order to provide input for improving all aspects of the golf program. Requests for changes and improvements to the golf courses will be presented to the

Golf Advisory Committee. The Director of Golf will investigate the feasibility of course changes and improvements. Discussion of the proposals will then be submitted to the Board of Directors for approval.

In addition to each selected Green Committee member having a vote on the Golf Advisory Committee, the Presidents of the Sun City Men's Golf Association ("SCMGA"), Sun City Women's Golf Association ("SCWGA") and the Sun City Women's Nine Hole Association will also have a vote.

The vote was taken and the motion passed 5 to 3 with Director Rough, Director Nichols and Secretary Totten opposed.

Director Collins moved to waive the second reading of this motion. Seconded by Director Fast, the motion to waive passes 5 to 3 with Director Rough, Director Nichols and Secretary Totten opposed.

2. **Director Collins** – On behalf of the Golf Advisory Committee (GAC), I move to amend Board Policy #17 titled Golf, Section titled General Golf Rules & Regulations, Item number 4 as follows:

General Golf Rules & Regulations

4. For safety reasons, no more than two people and two golf bags are permitted on the cart. The driver must have a valid driver's license. There should be no more than ~~five~~ **three** carts for any group **on all courses**, ~~and a maximum of five players on regulation courses and no more than four carts for any group and a maximum of four players on executive courses.~~ During periods of normal operation, riders in rental carts will be required to ride two persons per cart when possible. At the discretion of the Director of Golf, fivesomes may be allowed on executive courses. ~~during periods when other courses are closed.~~ Motorized carts must be kept at least 30 feet from the greens and parked on the path while putting. It is permissible to park off the path around tee boxes for the purpose of seeking shade. Carts should stay on the paths or in the "rough" as much as possible. Special attention should be given to avoid leaving the path in areas where the grass is wet or worn. When it is necessary to leave the path, the 90-degree rule should be followed. This means staying on the path until opposite your ball, driving straight to it, and straight back after hitting. All pull carts must remain in the highest cut of grass around greens and tee boxes. Handicap golf permits are available at the Golf Administrative Office at the Riverview Pro Shop. Rules may differ for golfers who have a handicap golf permit. Handicap golf rules will be disbursed at the same time the permit is issued.

The vote was taken and the motion passed 7 to 1 with Secretary Totten opposed.

Director Collins moved to waive the second reading on this motion. Seconded by Director Fast, the motion to waive passes 5 to three with Vice President McAdam, Director Rough and Secretary Totten opposed.

3. **Director Collins** – On behalf of the Club Organization Committee (COC), I move to amend Board Policy #12 titled Chartered Clubs, Section 8 titled Club Records & Reports as follows:

8. CLUB RECORDS & REPORTS

All Chartered Clubs must record and maintain minutes of all club meetings and must retain copies of all correspondence. Minutes must be readily available to all club members.

All Chartered Clubs are responsible for the timely filing of all reports and tax forms required by federal, state and local laws for 501(c)(4) organizations see FORM BP:12-19(a) for more information. Club login credentials for 990 filing must be provided to the Clubs Office.

All Club Conduct Reports must be retained in the club for five (5) years and a copy submitted to the Clubs and Activities office where they will be filed by Recreation Number and retained for a minimum of three (3) years.

Chartered Clubs shall issue Internal Revenue Service 1099 forms to individuals who are paid six hundred dollars (\$600) or more during a calendar year. This includes, but is not limited to, sales of crafts, club instructors, card club directors, caller fees and any other such payments required to be reported to the IRS. All 1099 forms shall be filed no later than January 31 of the following year see FORM BP:12-19(a) for more information.

The vote was taken and the motion passed unanimously.

Director Collins moved to waive the second reading of the motion. Seconded by Director Fast, the motion to waive passed 7 to 1 with Secretary Totten opposed.

Motions Second Reading:

1. **Director Fast** – I move that senior management is hereby directed to assist the Board and present a draft Board Policy setting forth the principles and process by which a long-range plan must be prepared with the goal of presenting the Board Policy to the Board at the February Board meeting. The vote was taken, and the motion passed its second reading unanimously.
2. **Director Rough** - I move to change the referenced Bylaws section in each of the following Board Policies, which reference a non-existent Article Section. The vote was taken, and the motion passed its second reading unanimously.

BOARD POLICY RESOLUTION No. 1 (“BP 1”)

CONFLICT OF INTEREST

WHEREAS Article V Section 6.3 ~~IV, Section 7~~ of the Corporate Bylaws empowers the Board of Directors (“Board” or “Directors”) of the Recreation Centers of Sun City, Inc. (“RCSC” or “Corporation”) to adopt Policies (“BP” or “Policies”) not in conflict with the Restated Articles of Incorporation (“Articles”) or the Corporate Bylaws (“Bylaws”).

BOARD POLICY RESOLUTION NO. 2 (“BP2”)

SENIOR MANAGEMENT

WHEREAS Article **V Section 6.3** ~~IV, Section 7~~ of the Corporate Bylaws empowers the Board of Directors (“Board” or “Directors”) of the Recreation Centers of Sun City, Inc. (“RCSC” or “Corporation”) to adopt Policies (“BP” or “Policies”) not in conflict with the Restated Articles of Incorporation (“Articles”) or the Corporate Bylaws (“Bylaws”).

BOARD POLICY RESOLUTION No. 3 (“BP 3”)

CORPORATE RECORDS

WHEREAS **V Section 6.3** ~~IV, Section 7~~ of the Corporate Bylaws empowers the Board of Directors (“Board” or “Directors”) of the Recreation Centers of Sun City, Inc. (“RCSC” or “Corporation”) to adopt Policies (“BP” or “Policies”) not in conflict with the Restated Articles of Incorporation (“Articles”) or the Corporate Bylaws (“Bylaws”).

BOARD POLICY RESOLUTION No. 6 (“BP 6”)

CORPORATE PRIVACY POLICY

WHEREAS **V Section 6.3** ~~IV, Section 7~~ of the Corporate Bylaws empowers the Board of Directors (“Board” or “Directors”) of the Recreation Centers of Sun City, Inc. (“RCSC” or “Corporation”) to adopt Policies (“BP” or “Policies”) not in conflict with the Restated Articles of Incorporation (“Articles”) or the Corporate Bylaws (“Bylaws”).

BOARD POLICY RESOLUTION No. 8 (“BP 8”)

PRIVILEGE CARDHOLDERS

WHEREAS Article **V Section 6.3** ~~IV, Section 7~~ of the Corporate Bylaws empowers the Board of Directors (“Board” or “Directors”) of the Recreation Centers of Sun City, Inc. (“RCSC” or “Corporation”) to adopt Policies (“BP” or “Policies”) not in conflict with the Restated Articles of Incorporation (“Articles”) or the Corporate Bylaws (“Bylaws”).

BOARD POLICY RESOLUTION No. 9 (“BP 9”)

CARDHOLDER GUESTS & HOST PUNCH CARDS

WHEREAS Article **V Section 6.3** ~~IV, Section 7~~ of the Corporate Bylaws empowers the Board of Directors (“Board” or “Directors”) of the Recreation Centers of Sun City, Inc. (“RCSC” or “Corporation”) to adopt Policies (“BP” or “Policies”) not in conflict with the Restated Articles of Incorporation (“Articles”) or the Corporate Bylaws (“Bylaws”).

BOARD POLICY RESOLUTION No. 16 (“BP 16”)

BUDGET & FINANCIAL REPORTING

WHEREAS Article **V Section 6.3** ~~IV, Section 7~~ of the Corporate Bylaws empowers the Board of Directors (“Board” or “Directors”) of the Recreation Centers of Sun City, Inc. (“RCSC” or “Corporation”) to adopt Policies (“BP” or “Policies”) not in conflict with the Restated Articles of Incorporation (“Articles”) or the Corporate Bylaws (“Bylaws”).

BOARD POLICY RESOLUTION No. 19 (“BP 19”)

PRESS & MEDIA

WHEREAS Article **V Section 6.3** ~~IV, Section 7~~ of the Corporate Bylaws empowers the Board of Directors (“Board” or “Directors”) of the Recreation Centers of Sun City, Inc. (“RCSC” or “Corporation”) to adopt Policies (“BP” or “Policies”) not in conflict with the Restated Articles of Incorporation (“Articles”) or the Corporate Bylaws (“Bylaws”).

BOARD POLICY RESOLUTION No. 20 (“BP 20”)

SUN CITY FOUNDATION

WHEREAS Article **V Section 6.3** ~~IV, Section 7~~ of the Corporate Bylaws empowers the Board of Directors (“Board” or “Directors”) of the Recreation Centers of Sun City, Inc. (“RCSC” or “Corporation”) to adopt policies not in conflict with the Restated Articles of Incorporation (“Articles”) or the Corporate Bylaws (“Bylaws”).

BOARD POLICY RESOLUTION No. 21 (“BP 21”)

MEMBERSHIP DOCUMENTATION REQUIREMENTS

WHEREAS Article **V Section 6.3** ~~IV, Section 7~~ of the Corporate Bylaws empowers the Board of Directors (“Board” or “Directors”) of the Recreation Centers of Sun City, Inc. (“RCSC” or “Corporation”) to adopt Policies (“BP” or “Policies”) not in conflict with the Restated Articles of Incorporation (“Articles”) or the Corporate Bylaws (“Bylaws”).

BOARD POLICY RESOLUTION No. 24 (“BP 24”)

PRESERVATION & IMPROVEMENT FEE/FUND

WHEREAS Article **V Section 6.3** ~~IV, Section 7~~ of the Corporate Bylaws empowers the Board of Directors (“Board” or “Directors”) of the Recreation Centers of Sun City, Inc. (“RCSC” or “Corporation”) to adopt Policies (“BP” or “Policies”) not in conflict with the Restated Articles of Incorporation (“Articles”) or the Corporate Bylaws (“Bylaws”).

BOARD POLICY RESOLUTION BP No. 27 (“BP 27”)

STANDING COMMITTEES

WHEREAS Article **V Section 6.3** ~~IV, Section 7~~ of the Corporate Bylaws empowers the Board of Directors (“Board” or “Directors”) of the Recreation Centers of Sun City, Inc. (“RCSC” or “Corporation”) to adopt Policies (“BP” or “Policies”) not in conflict with the Restated Articles of Incorporation (“Articles”) or the Corporate Bylaws (“Bylaws”).

BOARD POLICY RESOLUTION No. 31 (“BP 31”)

RISK MANAGEMENT POLICY

WHEREAS Article **V Section 6.3** ~~IV, Section 7~~ of the Corporate Bylaws empowers the Board of Directors (“Board” or “Directors”) of the Recreation Centers of Sun City, Inc. (“RCSC” or “Corporation”) to adopt Policies (“BP” or “Policies”) not in conflict with the Restated Articles of Incorporation (“Articles”) or the Corporate Bylaws (“Bylaws”).

BOARD POLICY RESOLUTION No. 33 (“BP 33”)

INVESTMENTS

WHEREAS Article **V Section 6.3** ~~IV, Section 7~~ of the Corporate Bylaws empowers the Board of Directors (“Board” or “Directors”) of the Recreation Centers of Sun City, Inc. (“RCSC” or “Corporation”) to adopt Policies (“BP” or “Policies”) not in conflict with the Restated Articles of Incorporation (“Articles”) or the Corporate Bylaws (“Bylaws”).

3. **Director Rough** – I move to revoke all Board approvals relating to Option 2 for Mountainview Recreation Center and Pickleball Courts at Lakeview and to cancel all contracts relating to either project. The vote was taken, and the motion passed its second reading unanimously.
4. **Director Rough** – I move to amend Board Policy #32 titled General Manager as follows:

Management consists of **employees designated by title by the General Manager.** ~~Director of Finance, Director of Operations, Director of Buildings and Infrastructure, Director of Golf and Grounds, Director of Bowling, Director of Events and Entertainment, Communications and RCSC Marketing Coordinator, Sun City Visitors Center and Marketing Manager, Corporate Executive Coordinator, Human Resources Manager, Cardholder Services Supervisor, Controller, IT Manager, Pro Shop Manager, Custodian Manager, Facility Attendants Supervisor, Chartered Clubs Supervisor, Support and Services Administrator and anyone else the GM would designate.~~

The vote was taken, and the motion passed its second reading unanimously.

5. **Director Rough** – I move to amend Bylaws, section titled Definitions, Letter L as follows:

L. “Senior Management” is defined as the **employees designated by title by the General Manager,** ~~Director of Finance, Director of Operations, Director of Buildings and Infrastructure, Director of Golf and Grounds, Director of Bowling, and Director of Events & Entertainment.~~

The vote was taken, and the motion passed its second reading unanimously.

- **New Business Item- Previously Consent Agenda Item:**

Vice President McAdam read the New Business Item: A previous motion was approved to implement a Capital Improvement Fee (CIF). This Consent Agenda Item will amend the Bylaws Article III, titled Assessments, Fees and Collections to include verbiage on the Capital Improvement Fee.

SECTION 3: CAPITAL IMPROVEMENT FEE

A Capital Improvement Fee assessment (hereinafter referred to as “CIF assessment” or “a CIF assessment” or “the CIF assessment”), as determined by the Board, shall be imposed on the purchase, acquisition, transfer, inheritance, gift or any change in ownership of legal or beneficial interest in the title to a Property (i) pursuant to any deed, contract for sale, will or other instrument or document transferring an interest in such property, so long as the original payor of the CIF assessment no longer retains a majority (50% or more) ownership interest in the Property; or (ii) following the death of the last payor of said CIF assessment for the Property resulting in Owners who have not paid said CIF assessment for the Property owning a majority (50% or more) ownership interest; or (iii) following the death of the last original Grantor under a trust which holds title to the Property; or (iv) following the death of the last holder of a life estate.

The motion was seconded by Director Nowakowski and passed 6 to 1 with Secretary Totten opposed.

Vice President McAdam moved to waive the second reading of this motion. Seconded by Director Collins, the motion to waive passed 6 to 1 with Secretary Totten opposed.

- **New Business:**

1. **Director Fast** – I move to adopt the Mission, Vision and Value Statement proposed by the Long-Range Planning Committee and reviewed with the members and employees as the official Mission, Vision and Value Statement. This statement shall replace the existing Mission, Vision and Value Statement. The statement proposed reads as follows:

Mission

To maintain a financially sustainable corporation which provides our Members with a wide range of high-quality amenities, recreational opportunities and social activities to enhance each participating Members sense of well-being and purposes.

Vision

To be a national leader in 55+ socially active lifestyle communities.

Values

- We are committed to making Members our highest priority and giving them high quality service.
- We value our friendly and welcoming community and want to pass that along to future generations.
- We value teamwork and each person's contribution to the community.
- We maintain and improve amenities, operations, and infrastructure to modern, attractive, and environmentally friendly standards.
- We believe data and technology should be harnessed to support health, safety, efficiency, and maintain the integrity of our decision processes.
- We plan for our future.”

The motion was seconded by Vice President McAdam and passed unanimously.

Director Fast moved to waive the second reading of the motion. Seconded by Director Collins, the motion to waive passed 5 to 2 with Director Nowakowski and Secretary Totten opposed.

2. **Director Collins** – I move to approve \$4,000 to be paid to the Sun City Posse for their continued assistance with event parking and facility security in 2024. Seconded by Vice President McAdam, the motion passed unanimously.

Director Collins moved to waive the second reading of the motion. Seconded by Vice President McAdam, the motion to waive passed 5 to 1 to 1 with Secretary Totten opposed and Director Nowakowski abstained.

3. **Director Fast** – I move that Management engage an engineer with the appropriate qualifications to perform a structural analysis of the Mountainview auditorium and fitness center building to determine if either or both can be remodeled as envisioned by Plan M or some derivation of plan M. In connection with this engagement Management should also engage Marlene Imarzine to work with the engineer to determine the feasibility of her initial design concept. It is hoped the engineers' work can be completed and presented to the board at the January meeting.

Prior to the vote the motion was withdrawn by Director Fast.

4. **Director Collins read Director Nichols motion** – I move to amend Bylaws Article V titled Board of Directors, Section 6 titled Board Authority/Duties, Commissions and Senior Management as follows: With no second on the motion, the motion dies.

SECTION 6: BOARD AUTHORITY/DUTIES, COMMISSIONS AND SENIOR MANAGEMENT

Board Authority/Duties:

9. Individual Board Members have no authority to, directly or indirectly, edit, redact or modify any RCSC Meeting Recording. For purposes of this Section, an "RCSC Meeting Recording" shall mean a Board Meeting, Membership Meeting or Committee Meeting which is videotaped or otherwise electronically recorded by RCSC. Any editing, redacting or modification of an RCSC Meeting Recording will require the written approval of the Board of Directors and such written approval shall include the reason(s) for the modification being made to the RCSC Meeting Recording. Violation of this Bylaw by individual Board Members shall result in an automatic suspension from the RCSC Board of Directors for thirty (30) days beginning on the date the Board votes to suspend the individual Board Member. During the thirty (30) day suspension, the subject Board Member shall not be allowed to participate in any Board of Directors activities, vote as a Board Member or attend meetings of the Board of Directors (other than only as an RCSC Member). In connection only with his or her suspension from the RCSC Board of Directors, the subject Board Member shall not be entitled to any adjudicative process set forth in Article II, Section 5 of these Bylaws. This Bylaw shall be effective on and after January 25, 2024.

5. **Director Rough** – I move to amend Board Policy 27 titled Standing Committees in two places as follows: Seconded by Vice President McAdam and after discussion, the motion was withdrawn.

A standing committee is a small group of Members, subordinate to the Board, which is organized to assist the Board in specific areas as follows and does not meet in the months of July and August unless approved by the Board President. Other months without meetings can be determined by each committee individually.

Standing Committees shall do not meet in the months of July and August unless approved by the Board President. Other months without meetings can be determined by each committee individually.

Next Meeting: President Fimmel reported that the next meeting will be the Exchange Meeting on January 8, 2024 at 9:00am in the Sundial Auditorium. The next meeting of the Board of Directors will be on January 25, 2024, at 9:00am in the Sundial Auditorium.

Adjournment: President Fimmel stated that with no further business, the meeting will be adjourned. The meeting was adjourned at 11:42am.

Respectfully submitted,

Jean Totten, Secretary

RCSC Management Report – January 25, 2024

GENERAL MANAGER:

As you can see in the following pages, we are focused on putting the new Mission, Vision, and Values into practice. Spending time, attention, and resources where it makes sense, to improve as much as possible, as soon as possible, for the members, staff, and corporation.

We are hiring staff much closer to market rates, improving wages and salaries of current employees, to reduce turnover and increase satisfaction for everyone. Turnover is expensive in terms of dollars and results. We want results that translate into high quality service and attractive amenities allowing our vision to be realized and maintained.

MISSION

To maintain a financially sustainable corporation which provides our Members with a wide range of high quality amenities, recreational opportunities and social activities to enhance each participating Members sense of well being.

VISION

To be a national leader in 55+ socially active lifestyle communities.

VALUES

We are committed to making Members our highest priority and giving them high quality service.

We value our friendly and welcoming community and want to pass that along to future generations.

We value teamwork and each person's contribution to the community.

We maintain and improve amenities, operations, and infrastructure to modern, attractive, and environmentally friendly standards.

We believe data and technology should be harnessed to support health, safety, efficiency, and maintain the integrity of our decision process.

We plan for our future.

SUPPORT/FINANCE:

Financials:

The Recreation Centers of Sun City, Inc. ended December within its operating and capital budget year to date. All divisions except Facilities and Food & Beverage have met or exceeded their net operating budget projections year to date. Facilities is (\$13.0k) unfavorable due to \$27.5k being spent on workstation furniture and IT infrastructure for new Facilities headcount in 2024. Food & Beverage is (\$121.1k) unfavorable year to date due to food and liquor sales being negatively impacted by weather in Q1 2023 and Building and Equipment repairs at the cafes being (\$16.8k) over budget.

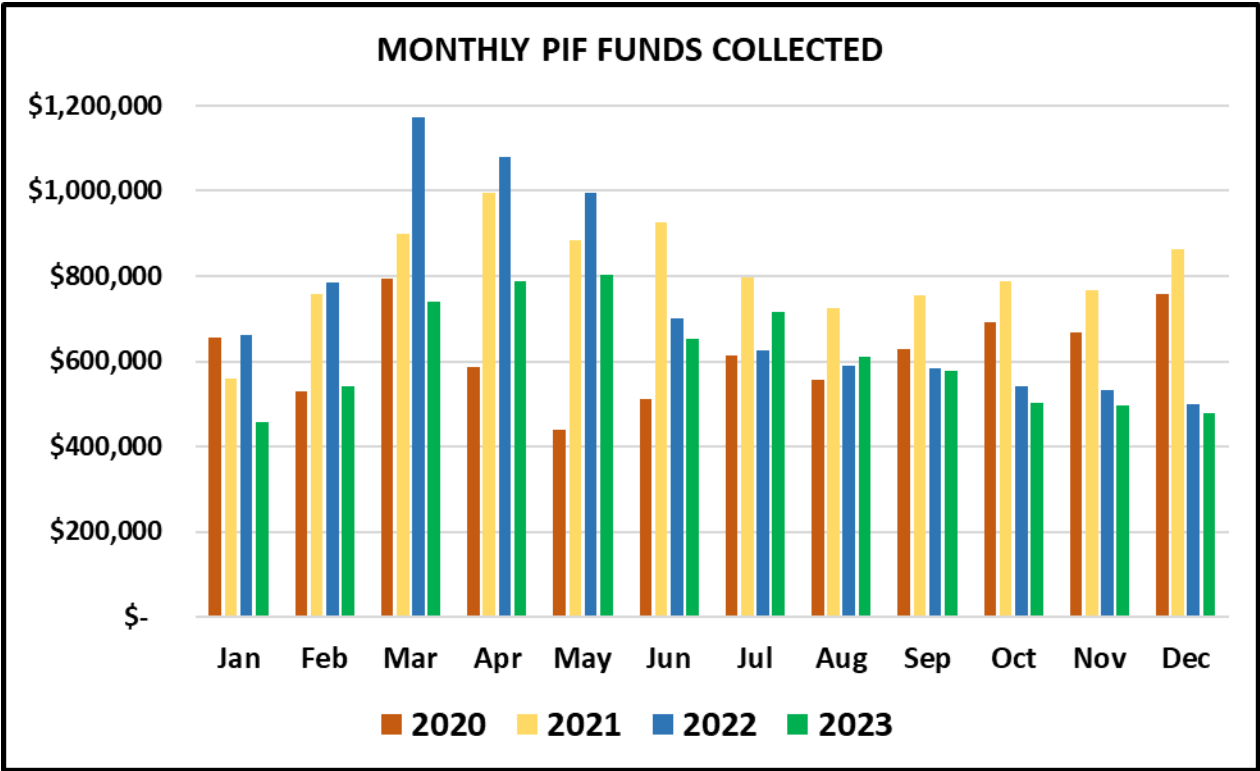
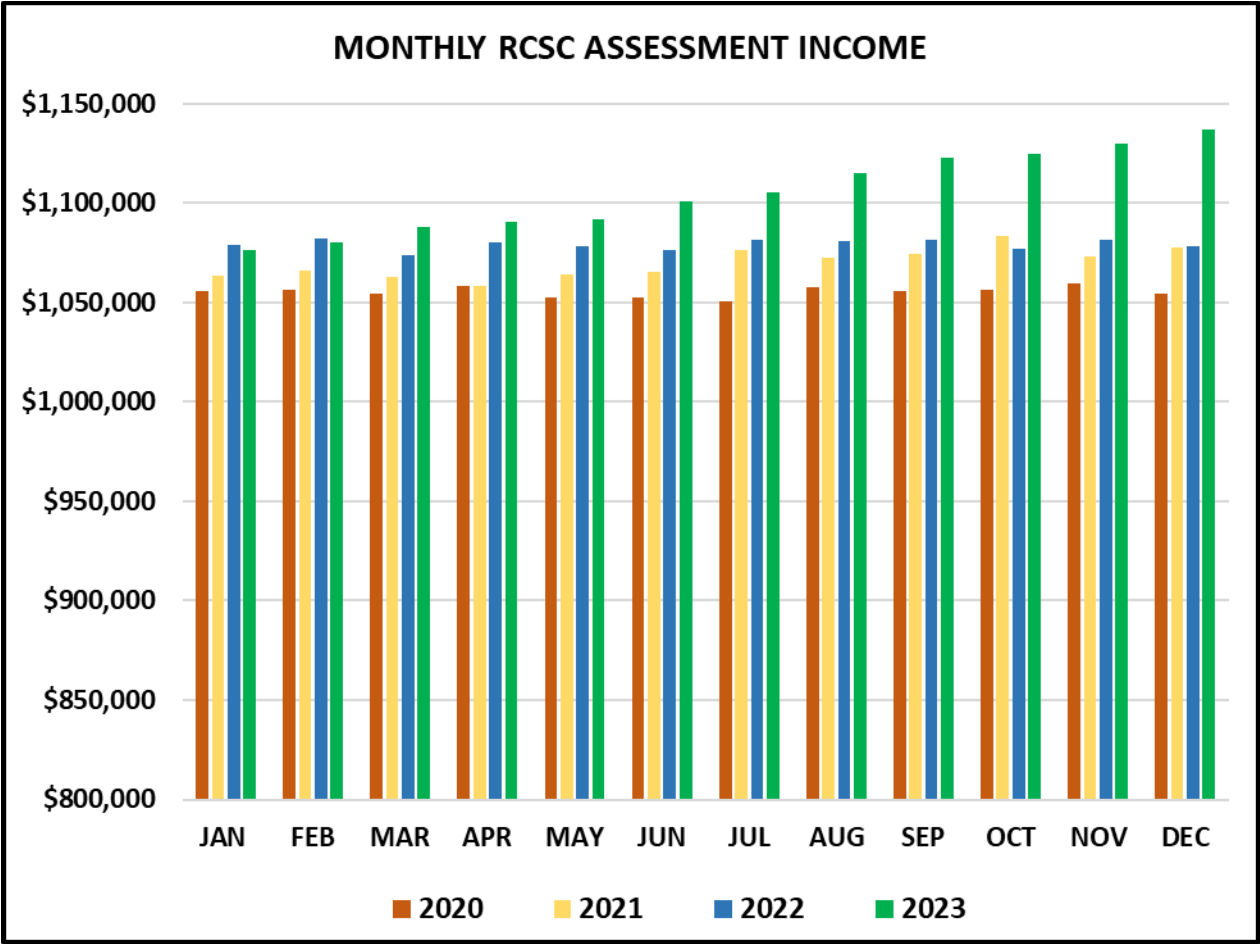
Operating income for December totaled \$2,235k and was \$150.6k favorable to budget due to Guest Golf fees and Property Assessments being \$34.0k and \$33.2k favorable to budget, respectively. Operating expenses for the month were \$2,361.2k and (\$229.3k) unfavorable due to utilities being (\$107.2k) unfavorable to budget, and Repairs & Maintenance being (\$110.4k) over budget. Year-end Net Operating Excess was \$2,465.2k and favorable to budget by \$185.4k (7.5%). This favorable year to date Operating Excess was due to Wages and Benefits being \$664.4k favorable to budget, offset by Repairs and Maintenance being (\$442.3k) over budget.

Cardholder Services:

Payments on past due assessments in December were 10.0% of past due balances. Overall accounts receivable increased in December by 5.4% and are up 4.2% since the end of 2022. Overall accounts receivable past due balances increased in December by 7.7%. November assessments went 30 days past due at a rate of 7.2% and October assessments went 60 days past due at a rate of 3.5%.

Payments from third party collections firms totaled \$14,952 in December, and total \$286,028 year to date. December payments made through the online Web Portal totaled \$154,937 from 304 property owners. Year to date online portal payments total \$2,250,921 from 4,572 property owners.

In December, property transfer balances increased by 1.1% to \$821.6k. This outstanding property transfer balance represents 51% of all receivables and 55% of past due balances. December trustee sale notices on Sun City AZ properties declined to 24, and properties owned by lending institutions increased to 2.



Information Technology:

In December, the Information Technology team received 85 new service requests, and closed 81 requests by month end, leaving 10 tickets remaining open. On average, IT closed service requests in less than one day in December. Year to date, IT has opened 986 tickets, and closed 976 tickets.

IT launched the new Wi-Fi environment at Lakeview, having installed a total of 27 new Wi-Fi access points, and provided dedicated Wi-Fi access points for each Club location. IT continued to prepare for the migration of applications and data from the old servers in the Warehouse to the new servers and storage devices in the upgraded Server Room at Lakeview. This migration is scheduled for mid-January and will continue into February. IT also completed wiring for the new employee workstations in the Facilities Department and worked with Facilities on cabling efforts for the Oakmont security project and the move of Clubs to Oakmont.

Human Resources:

Human Resources added 8 new requisitions during the month of December and filled 12 requisitions, ending the month with 5 open positions. Year to date, HR has opened 168 requisitions, and filled 170 open positions. The time-to fill requisition KPI in December was 13 days. HR scheduled January biometrics appointments for all full-time employees as part of the medical insurance renewal process. HR also finished processing all 2024 salary adjustments and benefits plan enrollment changes for the 2024 open enrollment process.

FACILITIES:

Projects:

In process:

Sun Bowl Softball Field Improvements (PIF) STATUS GREEN

- Budget \$1.38M. Total cost to date \$103,155
- Project began 11/27/2023
- Contractor – Robert E. Porter Construction
- Expected project duration – 6 months

Viewpoint Lake Repair (PIF) STATUS GREEN

- Budget \$8.0M Total cost to date \$7.3M
- Boat ramp opened for homeowner boat launches 11/11/2023
- Viewpoint Lake Reopening Celebration held on 12/15/2023
- Return of retention remaining to pay

Mountain View Rec Center Phases 1 and 2 Cancelled by Board

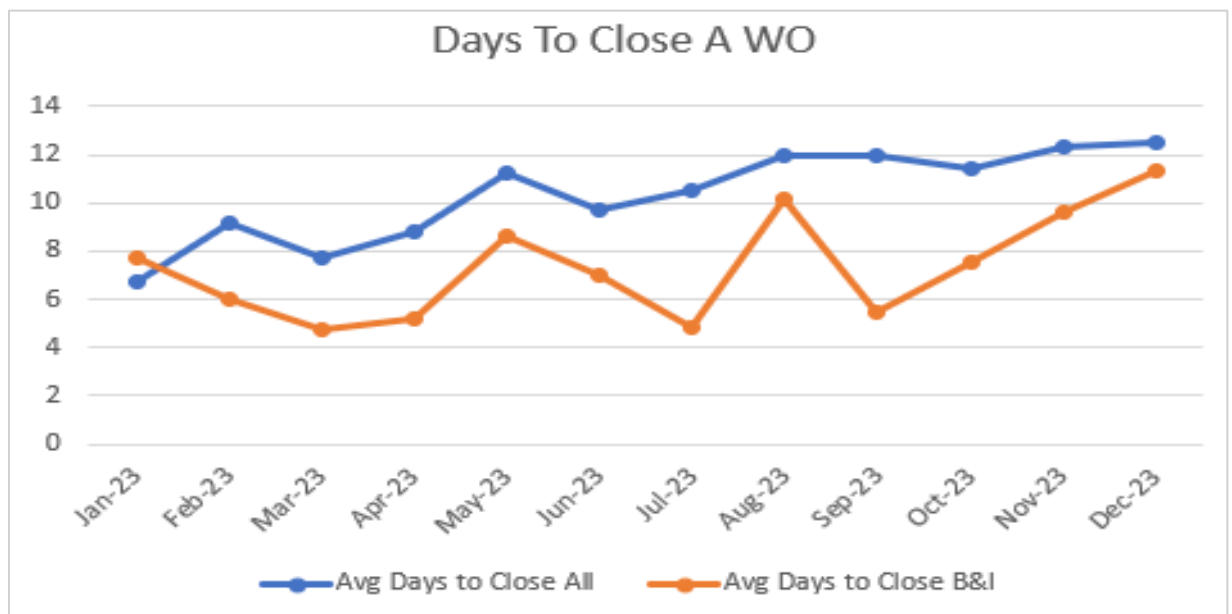
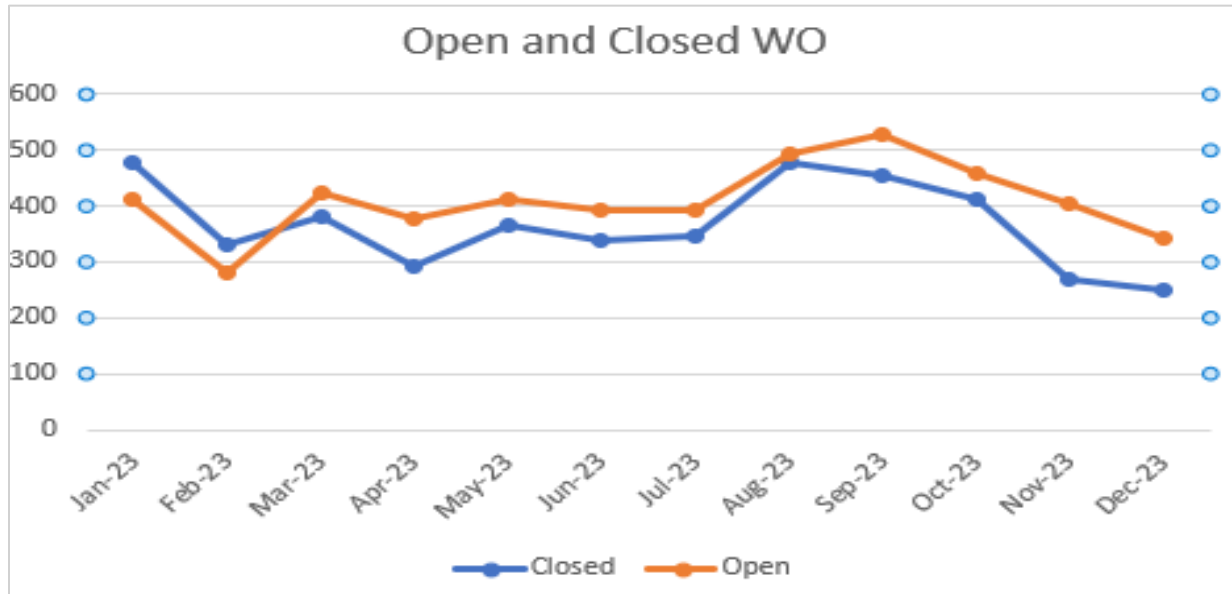
Recently Completed:

Lakeview Recreation Center

- Refinished both indoor spas with new rails and quartz finished. Project was completed 1/10/2024 at a cost of \$28,260. Contractor – Commercial Pool Repair

Work Orders (skilled trades repair & maintenance):

Facilities opened 341 new work orders and completed 250 work orders in December. The average time to close a work order in December was 12.5 days. Facilities has completed a total of 4,377 work orders in 2023.



CENTERS:

Winter is here, and attendance at the centers in the first quarter of the year is getting back to pre-covid levels. The staff at Sundial is very busy setting up and taking down several large and small events that are planned. A sample of a day with scheduled events:

Wednesday for the Winter Concert Series, staff sets up 1,250 chairs and a few tables.
Thursday morning all the tables and chairs are removed, and the area is set up for Line dancing which begins at 8:00 a.m. When dancing is done that afternoon staff sets up for BINGO, 750 chairs and approximately 140 tables are set up.
Friday morning BINGO set up is removed and set up begins for the Friday night dance and club activities taking place that day and throughout the weekend.

Working at Sundial is very labor-intensive, and the staff does an exceptional job completing the work that needs to be done to meet the needs of the Community.

Viewpoint Lake is filled and back in operation. The facility attendants at the Lakeview mini-golf check in station are very busy this time of year. When the weather is nice, it is not unusual to see several fishermen on the shore, many people walking the park, all 18 holes on the mini-golf course with people playing, and all four paddleboats and a rowboat out on the lake. The facility attendants keep track of all these people.

At Marinette, custodial staff are finishing a project that began May 2023. One individual designed and built a device that was used to re-strap the pool chairs and chaise loungers that were deteriorating and went throughout the other centers checking on the chairs as well. There were 150-200 loungers and chairs that were re-strapped. Due to his ingenuity and perseverance, the RCSC saved much time and money from his work.

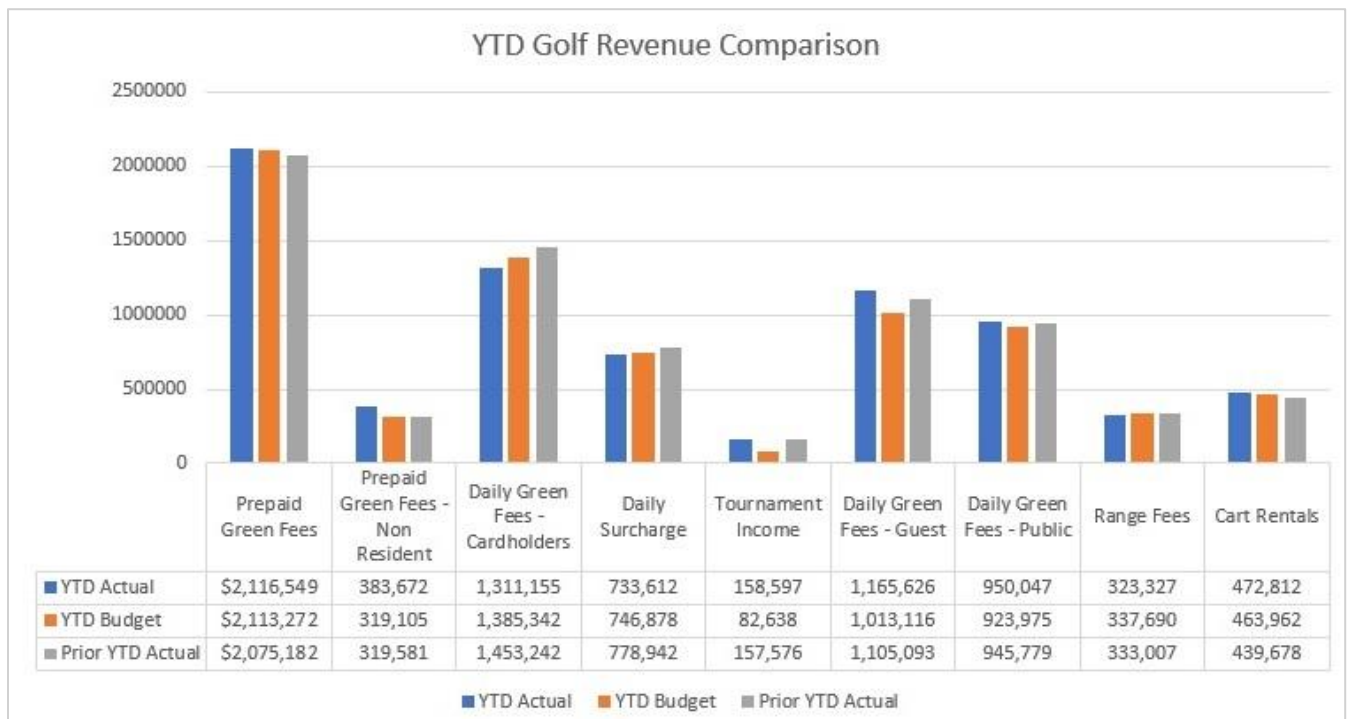
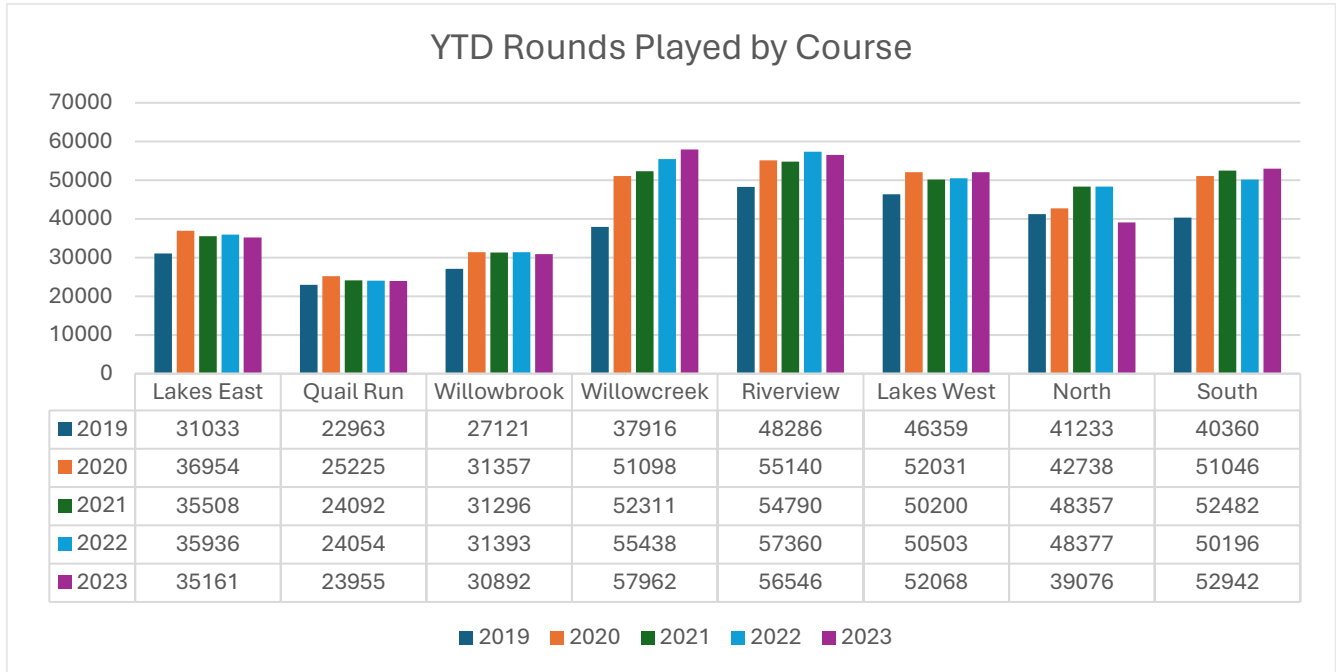
GOLF:

Superintendent Update:

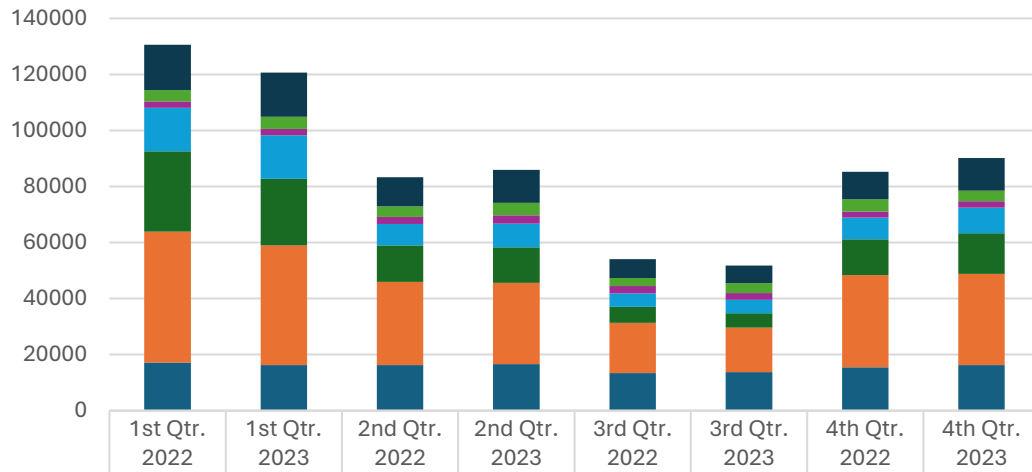
The preliminary aerification/overseed schedule was presented to the Golf Advisory Committee this month. We will continue our practice of a single, more aggressive aerification. We will also continue to solid tine aerify more frequently. Solid tines do not impact the green surface to the extent of hollow tines and do not require course closures. Fairway verticutting will begin at the end of April and in two-day blocks. As the Lakes East and North courses were not overseeded, the courses will not need to close for the verticutting event. Though it does not eliminate transition related issues, verticutting does open the grass canopy by thinning out the rye grass, allowing the Bermuda base to recover from dormancy quicker. Representatives of the Golf Advisory were asked to review the schedule with course committees, to resolve any conflicts ahead of time. We are giving consideration to the request to close courses for a longer period of time in the summer and combine our aerification

events. We are not planning to skip the overseed process on any course next year, except for Quail Run. The timing of the 2025 irrigation project will determine the viability of overseeding Quail Run for the 2024/25 golf season.

PRO SHOPS



YTD Rounds Comparisons by Quarter



	1st Qtr. 2022	1st Qtr. 2023	2nd Qtr. 2022	2nd Qtr. 2023	3rd Qtr. 2022	3rd Qtr. 2023	4th Qtr. 2022	4th Qtr. 2023
Public - 18 Hole	16152	15677	10453	11774	6694	6295	9810	11640
Non Resident no fee	4049	4398	3697	4454	2929	3554	4390	3782
Staff	2270	2272	2538	2910	2558	2451	2173	2299
Guest	15475	15562	7729	8511	4792	4810	7719	9118
Cardholder Daily	28756	23728	12966	12640	5776	5141	12835	14481
Annual fee	46730	42700	29747	29096	17844	15865	32804	32524
Annual no fee	17137	16299	16238	16569	13466	13740	15530	16312

■ Annual no fee ■ Annual fee ■ Cardholder Daily ■ Guest ■ Staff ■ Non Resident no fee ■ Public - 18 Hole

- 18.05% of total rounds played by Annual (Resident) No Fee Passholders YTD
- 34.48% of total rounds played by Annual Surcharge Passholders YTD
- 16.06% of total rounds played by Resident Cardholders YTD
- 4.64% of total rounds played by Annual (Non-Resident) Passholders YTD
- 13.02% of total rounds played by Public Golfers YTD
- 10.90% of total rounds played by Guests
- 2.85% of total rounds played by Staff

March 7, Lakes East/Lakes West will be hosting the annual Teal Ribbon Tournament. The event is open to ladies and men and no handicap is required. It is a 9-hole event with a 9:30 am shotgun start, and lunch follows play at Sundial. The proceeds benefit the University of Arizona Cancer Center for Ovarian Cancer research. The entry fee is \$35/per person, entry forms may be picked up and turned in to any pro-shop.

In December we began a formal tracking of our “bump-rate” (those golfers requesting a tee time through the lottery that were unsuccessful), to gauge the effectiveness of our changes to free up tee times.

Lawn Bowl & Grounds:

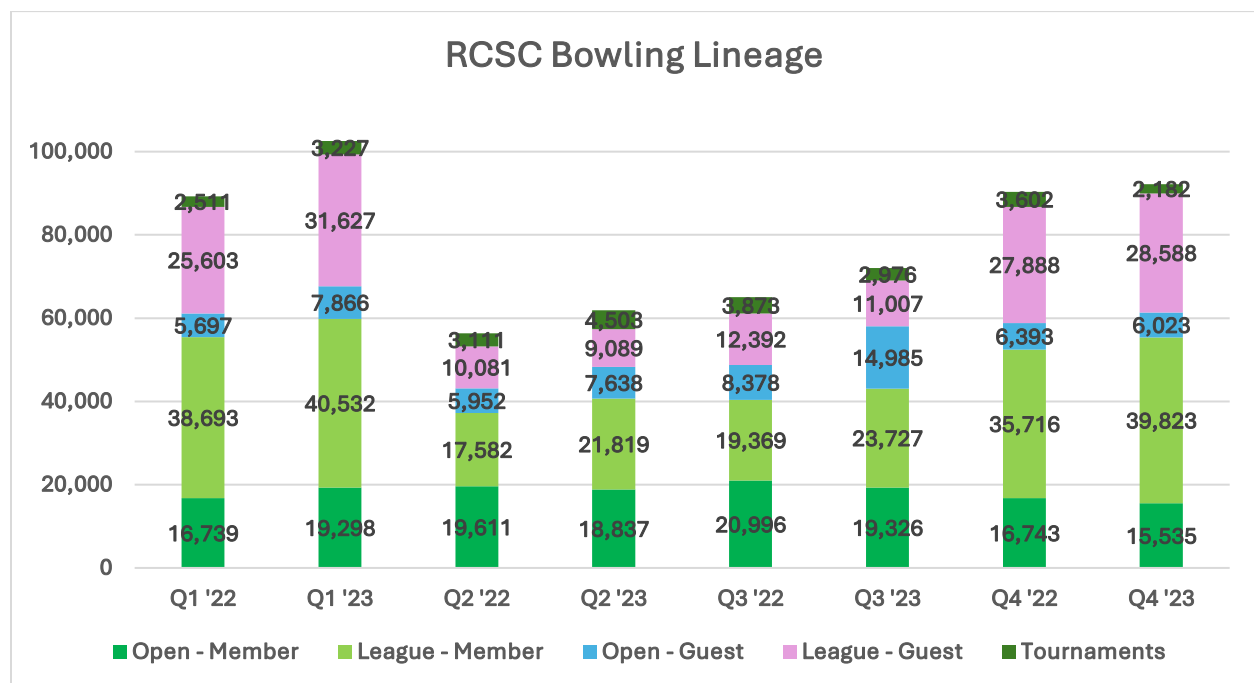
Green speeds range from a low of 12.8 seconds at Mountain View to a high of 14.5 seconds at Bell North. Moisture readings range from a low of 8.2 at Bell North to a high of 12.8 at Mountain View. The lawn bowl greens were being mowed once per week, and the “Billy Goat” is being used once per week to clean the greens.

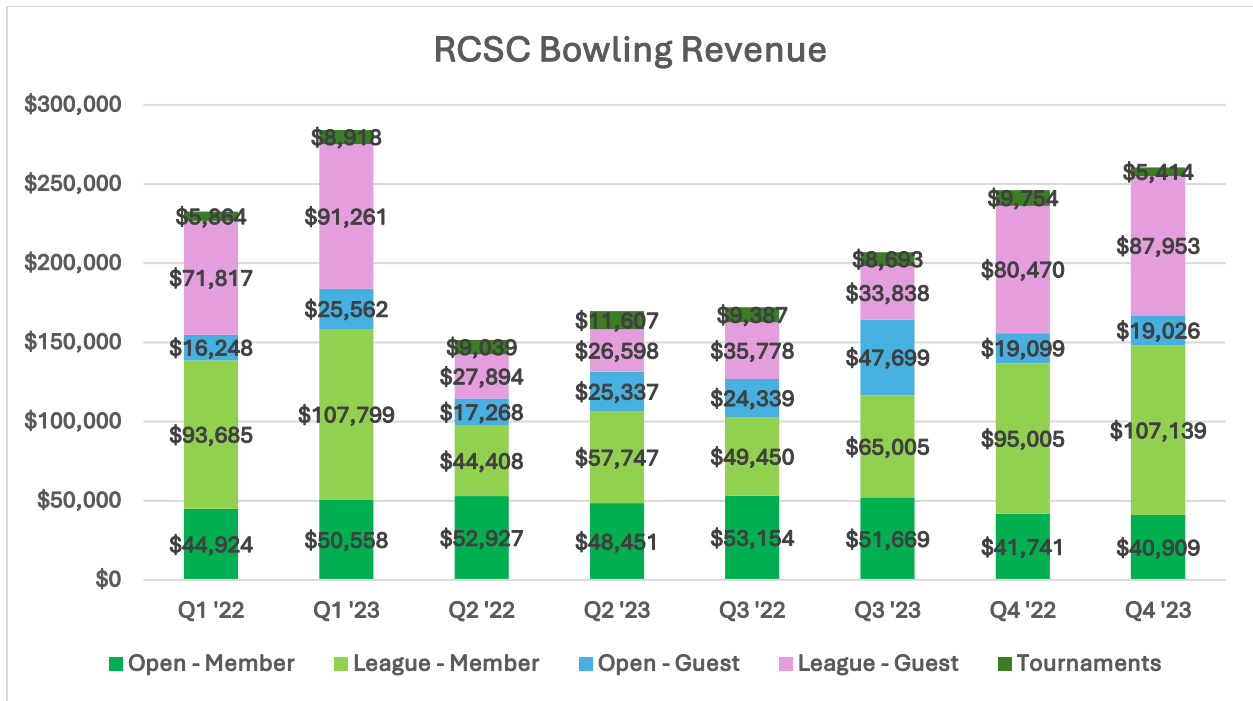
The softball field is being mowed twice per week and the infield is graded four times per week. The grounds team is in the process of installing a rock buffer at Lake View to better control the amount of irrigation runoff that reaches the parking lot.

BOWLING:

December 2023 Bowling lineage totaled 30,365 compared to 30,723 in December 2022 a decrease of 1%. Year to date lineage through December 2023 totaled 336,346 lines compared to 307,608 in December 2022, an increase of 9%.

December 2023 saw an increase of \$84,115 a 2% in bowling revenue, compared to the same time in 2022 at \$82,561. Year to date, 2023 revenue was \$921,184 or 15% greater than 2022.





Clubs & Activities:

In December, Clubs & Activities successfully hosted the Holiday Celebration, Grand Re-Opening of Viewpoint Lake, and the Holiday Spectacular Concert. The Concert ended with a standing ovation for the entertainment on stage.

The Sundial Concerts take place every Wednesday night through March 27, with doors opening at 5 pm and the show starting at 6 pm. Tickets are available for purchase at the ticket office at Sundial, or online under Events on the suncity.org website. Sunday nights at Sun Bowl begin in March, more details will soon be on the website.

The RCSC Performance Arts Clubs brought the holiday spirit to the community with their winter concerts. Community Orchestra and Concert Band shared their musical talents along with the beautiful voices of the Women’s Chorus. Along with the community events, many of the clubs held their club holiday celebrations for their members. The Country Dance Club closed the year with a New Years Dance at the Sundial Center.

COMMUNICATION:

In December, the Communications team worked with department directors and managers, as well as community organizations to bring to life General Manager Matthew D’Luzansky’s vision of a comprehensive January “Happy New Year” edition of the Sun City Update, formerly known as the SunViews. The goal of this edition was to reach every residence, helping to be transparent about the coming year’s plans, provide education about the work that RCSC does, and connect residents to other partner organizations, from sheriff and fire to the Sun City Homeowners Association. In a beautiful showing of community support, volunteers from clubs, employees, residents, and partner organizations helped to prepare and deliver the edition to every Sun City home, and to partner organizations that shared in this as well.

The newspaper will continue as a monthly edition available at recreation centers again beginning in February, as longer-term communications plans continue to be developed.

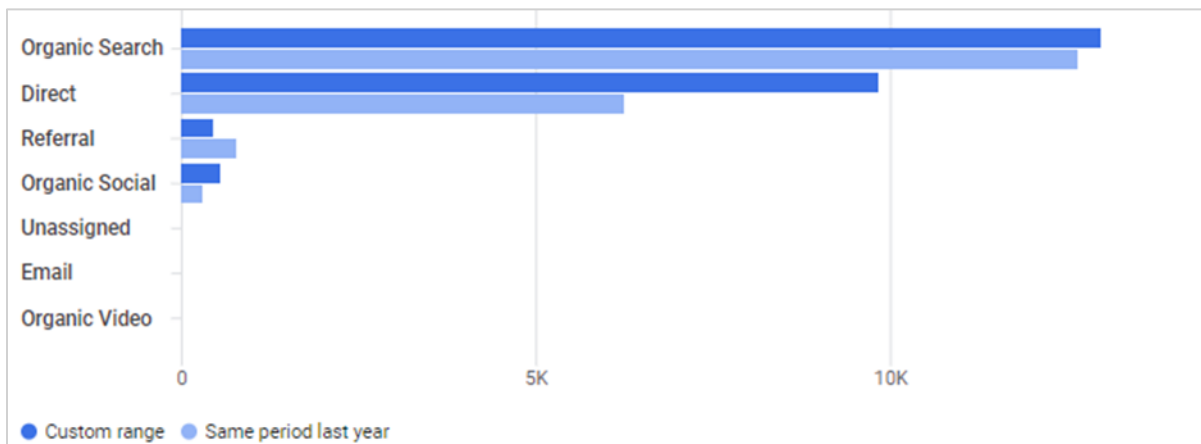
Website Analytics:

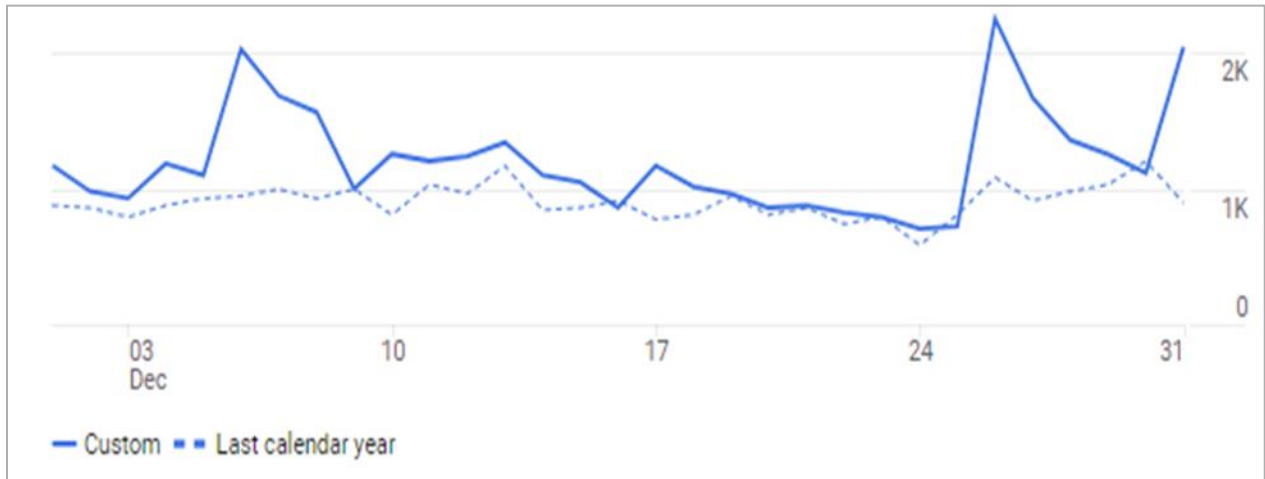
December saw an increase in visits to the website from 22,144 to 27,922 (an increase of 5,778). Due to efforts to draw guests to the website via eblasts and links, the total of visits directly to our page increased by 66%, to 11,154. Organic searches can be improved with continued SEO efforts.

Top pages for visits:

Home Page	17,000
News page/Info Center	3,900
Golf Courses & Pro Shops	3,700
RCSC (About Us)	3,500
Rec Centers Landing Page	2,700

The graphics below show the increases in visits to the website year to year, as well as in direct visits from eblasts/emails sending members and cardholders to our page. Efforts to make immediate improvements to SEO on the website as well as on Google by Business pages will work toward increasing SEO and organic searches.





<u>SESSION DEFAULT CHANNEL GROUP</u>		<u>SESSIONS</u>
Organic Search	27K	↑ 21.0%
Direct	18K	↑ 73.6%
Referral	1.6K	↑ 6.0%
Organic Social	769	↑ 69.4%
Unassigned	366	↑ 96.8%
Email	6	↓ 33.3%
Organic Video	4	↑ 100.0%

Welcome Center:

The Sun City Welcome Center had 409 visitors in December, primarily current members seeking to be involved in more activities, but also a couple dozen prospective residents. The most common interests given during visits to the Welcome Center by prospective residents were swimming, theater, card games, BINGO, arts & crafts, lifelong learning, reading & book clubs, walking woodworking, golf and pickleball.

The Welcome Center continues to reach out to connect with new as well as current members, to ensure everyone is enjoying and understands all the activities available. New brochures are being developed and will be provided to all the centers. As we move into the new year, visits have increased, and our Sun City Experience presentation/tour is weekly on Wednesday's or Thursday's. More residents are beginning to visit during our Tuesday "late" hour days, when we are open until 6 p.m., rather than our usual close time of 4 p.m.

BOARD POLICY RESOLUTION No. 24 (“BP 24”)

PRESERVATION & IMPROVEMENT FEE/CAPITAL IMPROVEMENT FEE FUND

WHEREAS Article V, Section 6.3 of the Corporate Bylaws empowers the Board of Directors (“Board” or “Directors”) of the Recreation Centers of Sun City, Inc. (“RCSC” or “Corporation”) to adopt Policies (“BP” or “Policies”) not in conflict with the Restated Articles of Incorporation (“Articles”) or the Corporate Bylaws (“Bylaws”).

WHEREAS to minimize inconsistencies, misunderstandings and misinterpretations inherent in verbal instructions, rules and regulations, the Board of Directors has established Board Policies in written form. Such Policies shall be titled, numbered and indexed for easy reference and use.

WHEREAS the Restated Articles of Incorporation and the Corporate Bylaws shall take precedence over Board Policies and that the following Board Policy on Preservation & Improvement Fee/Fund shall provide instruction, direction and guidelines regarding such and shall remain in effect until such time it is amended or removed by the Board.

NOW, THEREFORE BE IT RESOLVED the Corporation shall adhere to the following Preservation & Improvement Fee/**Capital Improvement Fee** Fund policy:

SECTION 1: PRESERVATION & IMPROVEMENT FEE

A Preservation and Improvement Fund assessment (hereinafter referred to as “PIF assessment” or “a PIF assessment” or “the PIF assessment”), as determined by the Board, shall be imposed on the purchase, acquisition, transfer, inheritance, gift or any change in ownership of legal or beneficial interest in the title to a Property (i) pursuant to any deed, contract for sale, will or other instrument or document transferring an interest in such property, so long as the original payor of the PIF assessment no longer retains a majority (50% or more) ownership interest in the Property; or (ii) following the death of the last payor of said PIF assessment for the Property resulting in Owners who have not paid said PIF assessment for the Property owning a majority (50% or more) ownership interest; or (iii) following the death of the last original Grantor under a trust which holds title to the Property; or (iv) following the death of the last holder of a life estate.

- A. **A** PIF assessment will be imposed on each Property and its Owner(s) including but not limited to the following:
1. on the date any seller(s) transfers Property to any purchaser(s);
 2. in the event Property is transferred to a trust, on the date of the death of the last original Grantor under a trust;
 3. in the event Property is transferred from a trust, on the date when Property is transferred to persons other than the original Grantors of the trust, unless the PIF assessment was paid at the time of the death of the original Grantors of the trust and the payor(s) retain a majority (50% or more) ownership interest;
 4. in the event Property is transferred to a Company, on the date when the transferor(s) is/are no longer officers and majority (50% or more) owner(s) of record of said Company;
 5. in the event Property is transferred from Company to a new Owner, on the date when the transferor(s) is no longer the Owner(s) of record;
 6. in the event Property is transferred by inheritance, including but not limited to probate proceedings and beneficiary deeds, on the date of legal transfer; or
 7. in the event the remaining Owner(s) was not original payor of the PIF assessment.

- B. A deed or other instrument executed by Owner that holds a fee simple estate to the Property, which deed reserves a life estate to such Owner (and which may also reserve a life estate to no more than one other living person) and creates a remainder interest in another party shall not incur a PIF assessment.
- C. In no event will more than one refund be processed for any given PIF assessment paid by the Owner(s) of a Property. All refunds for PIF assessments must be applied for through the Cardholder Services Office. A refund of the PIF assessment may be available if:
1. the sale/disposition/transfer of a previous primary Arizona residence in Sun City, Arizona is made within one (1) year of the purchase/ acquisition/ transfer/ inheritance of the other primary Arizona residence in Sun City, Arizona;
 2. no Owners who paid the PIF assessment for the previous primary Arizona residence in Sun City, Arizona retain an ownership interest in that property at the time of the sale/disposition/transfer;
 3. if the heir sells Property to another Owner within one year of the inheritance and the related assessments, fees and any and all other charges are paid in full;
 4. if after a death of the last remaining original payor of the PIF assessment, a beneficiary deeded Owner or the remaining deeded Owner sells the Property within one year of the death and the related assessment and fees are paid in full;
 5. the purchaser(s) has been a Member(s) in good standing;
 6. an application for a refund was made no more than three (3) years from the date of the last escrow closed; and
 7. the Member Card(s) from the property sold are returned.
- D. Projects funded from the Preservation and Improvement Fund must:
1. be approved by the Board of Directors;
 2. be a minimum of Three Hundred Thousand Dollars (\$300,000); and
 3. have a depreciable life of at least fifteen (15) years.
- E. Income from Preservation and Improvement Fund investments will be retained in the Preservation and Improvement Fund.
- F. Preservation and Improvement Funds are not to be spent for normal operating or maintenance expenses.
- G. A quarterly report will be submitted to the Board detailing activity of Preservation and Improvement Fund income and expenditures. A detailed list of Preservation and Improvement Fund investments will be provided quarterly to the Board.

SECTION 2: CAPITAL IMPROVEMENT FEE

A Capital Improvement Fee assessment (hereinafter referred to as “CIF assessment” or “a CIF assessment” or “the CIF assessment”), as determined by the Board, shall be imposed on the purchase, acquisition, transfer, inheritance, gift or any change in ownership of legal or beneficial interest in the title to a Property (i) pursuant to any deed, contract for sale, will or other instrument or document transferring an interest in such property, so long as the original payor of the CIF assessment no longer retains a majority (50% or more) ownership interest in the Property; or (ii) following the death of the last payor of said CIF assessment for the Property resulting in Owners who have not paid said CIF assessment for the Property owning a majority (50% or more) ownership interest; or (iii) following the death of the last original Grantor under a trust which holds title to the Property; or (iv) following the death of the last holder of a life estate.

A. A CIF assessment will be imposed on each Property and its Owner(s) including but not limited to the following:

1. on the date any seller(s) transfers Property to any purchaser(s);
2. in the event Property is transferred to a trust, on the date of the death of the last original Grantor under a trust;
3. in the event Property is transferred from a trust, on the date when Property is transferred to persons other than the original Grantors of the trust, unless the CIF assessment was paid at the time of the death of the original Grantors of the trust and the payor(s) retain a majority (50% or more) ownership interest;
4. in the event Property is transferred to a Company, on the date when the transferor(s) is/are no longer officers and majority (50% or more) owner(s) of record of said Company;
5. in the event Property is transferred from Company to a new Owner, on the date when the transferor(s) is no longer the Owner(s) of record;
6. in the event Property is transferred by inheritance, including but not limited to probate proceedings and beneficiary deeds, on the date of legal transfer; or
7. in the event the remaining Owner(s) was not original payor of the PIF assessment.

B. A deed or other instrument executed by Owner that holds a fee simple estate to the Property, which deed reserves a life estate to such Owner (and which may also reserve a life estate to no more than one other living person) and creates a remainder interest in another party shall not incur a CIF assessment.

C. In no event will more than one refund be processed for any given CIF assessment paid by the Owner(s) of a Property. All refunds for CIF assessments must be applied for through the Cardholder Services Office. A refund of the CIF assessment may be available if:

1. the sale/disposition/transfer of a previous primary Arizona residence in Sun City, Arizona is made within one (1) year of the purchase/ acquisition/ transfer/ inheritance of the other primary Arizona residence in Sun City, Arizona;
2. no Owners who paid the CIF assessment for the previous primary Arizona residence in Sun City, Arizona retain an ownership interest in that property at the time of the sale/disposition/transfer;
3. if the heir sells Property to another Owner within one year of the inheritance and the related assessments, fees and any and all other charges are paid in full;
4. if after a death of the last remaining original payor of the CIF assessment, a beneficiary deeded Owner or the remaining deeded Owner sells the Property within one year of the death and the related assessment and fees are paid in full;
5. the purchaser(s) has been a Member(s) in good standing;
6. an application for a refund was made no more than three (3) years from the date of the last escrow closed; and
7. the Member Card(s) from the property sold are returned.

D. Projects funded from the Capital Improvement Fee must:

1. be approved by the Board of Directors;
2. be less than Three Hundred Thousand Dollars (\$300,000).

E. Income from Capital Improvement Fee investments will be retained in the Capital Improvement Fee fund.

F. Capital Improvement Fee funds are not to be spent for normal operating or maintenance expenses.

G. A quarterly report will be submitted to the Board detailing activity of Capital Improvement Fee fund income and expenditures. A detailed list of Capital Improvement Fee fund investments will be provided quarterly to the Board.

SECTION 1 3: TRANSFER FEE

A Transfer Fee, as determined by the Board, shall be imposed on the purchase, acquisition, transfer, inheritance, gift or any change in ownership of legal or beneficial interest in the title to Property (collectively known as "Ownership Change") (i) pursuant to any deed, contract for sale, will or other instrument or document transferring an interest in such property, so long as the original payor of said Transfer Fee no longer retains a majority (50% or more) ownership interest in the property; or (ii) following the death of the last original Grantor under a trust which holds title to the Property; or (iii) following the death of the last holder of a life estate.

At any time when an Ownership Change has occurred for **the** purposes of imposing the PIF assessment, then a Transfer Fee shall also be incurred and collected at the same time that the PIF assessment is collected.

The Transfer Fee may be refunded if the heir sells Property to another Owner within one year of the inheritance and the related assessments, fees and ~~any and~~ all other charges are paid in full. There are no other refunds of Transfer Fees available.

SECTION 2 4: ACCESS FEE

A one-time Access Fee per Property, as determined by the Board, shall be paid by the builder, owner or developer desiring to have access to RCSC Facilities for any land, building or structure or portion of any building or structure which is, has been or is intended to be, for use and occupancy as a dwelling unit and is real property in Sun City, Arizona located in the area entitled "Sun City General Plan, Maricopa County, Arizona," as prepared by the Del E. Webb Development Company and dated July 1972, November 1974, August 1975, and September 1978 with subsequent amendments thereto.

Said builder/owner/developer must execute a Facilities Agreement with the Corporation. Purchasers of individual Properties are also required to execute a [Facilities Agreement](#) and pay a PIF assessment, Transfer Fee, annual property assessment and any other and all assessments, fees and charges as designated by the [Facilities Agreement](#) and [Corporate Documents](#). There are no refunds available for access fees.

SECTION 3 5: LATE AND LIEN FEES, INTEREST AND COLLECTIONS

Every Owner is responsible for the total of all assessments, fees and any other and all charges against the Property and Owners. All property assessments are due annually on the date escrow closed on the property and shall be considered in arrears following that date. Other assessments, fees and charges may be assessed from time to time, at the discretion of the Board, and shall be due and payable as outlined in the billing of such and shall be considered in arrears after the due date.

Late fees and penalties, as determined by the Board, may be imposed on all assessments, fees and any and all other charges which are in arrears. Legal action to secure payment may be taken including but not limited to additional fees, liens and the enforcement of the same. Any Owner whose assessments, fees or any and all other charges are in arrears is not considered a Member in good standing and their Cardholder Privileges are suspended until **the** Owner's account is current.

Owners are responsible for providing current and accurate billing information to the Cardholder Services Offices; failure of an Owner to receive billing does not relieve the Owner of the obligation and liability to pay assessments or fees, nor does it eliminate the following collection process and fees:

- A. At thirty (30) days in arrears, Owners shall be charged a late fee, as determined by the Board and shall be sent a reminder notice regarding the unpaid balance on their account.
- B. At sixty (60) days in arrears, interest will begin to accrue on the unpaid balance on their account and a reminder notice regarding the unpaid balance on their account shall be sent. Interest equal to the interest rate charged by Maricopa County for delinquent taxes as set forth in Arizona Revised Statutes will be charged by the Corporation on any delinquent fees and/or assessments and interest shall accrue on a monthly basis until the account has been paid in full.
- C. At sixty (60) days in arrears, RCSC shall file a lien upon the Property with the office of the Maricopa County Recorder and a lien recording and release fee, as determined by the Board, shall be charged to the Owners.
- D. All accounts ninety (90) days in arrears may be reported to the Credit Bureau(s) as a delinquent account. If any assessment or fee is not paid within ninety (90) days after it becomes due, said lien may be foreclosed as set forth in the [Facilities Agreement](#). Said lien shall be subordinate to the lien of any mortgage or deed of trust now or hereafter placed on the Property.
- E. The Corporation may pursue all available legal processes or actions available to it in order to collect any unpaid assessments or fees owed **to** the Corporation. Owners shall be required to pay for all costs associated with such legal collection actions or processes.
- F. The Corporation may turn any unpaid accounts over to a third party for collections and Owners shall be required to pay for all costs associated with such collection processes.
- G. At such time that the account is paid in full, RCSC shall file a lien release with the office of the Maricopa County Recorder.

Owners shall not be considered Members in good standing until such time that all Properties in which the Owner has an ownership interest are current with all assessments, fees, and any and all other charges against the Properties and Owners.

If a Property has unpaid assessments or fees and the ownership changes, the new Owner(s) will not be allowed to use RCSC Facilities, obtain a Member Card or vote until such time that the unpaid assessments, fees and any and all other charges against the Property and Owner(s) have been paid in full. If any individual has unpaid assessments or fees relating to a Property that has been previously owned, that individual will not be allowed to use RCSC Facilities or vote until such time that the unpaid assessments, fees and any and all other charges have been paid in full.

BE IT FURTHER RESOLVED that a copy of this resolution shall be posted on the RCSC website for members and shall be made available to members upon request at no cost.

Adopted and signed this ~~14th~~ **29th** day of ~~December, 2023~~ **February, 2024** at a duly called Board meeting by a majority (5) of the Recreation Centers of Sun City, Inc. Board of Directors.

ATTEST:

Kat Fimmel, President

Jean Totten, Secretary

Mountain View Renovation Elements

Project Design Steps

- The Board provides the General Manager (GM) with design elements
- The staff uses elements to elicit design proposals
- Staff interacts with architects, engineers & stakeholders and receives design proposals (no money spent)
- Architect chosen - Interactive design process with Board and stakeholders to build a schematic design
- Design development followed by construction documents
- RFP out to contractors, bid acceptance by bid commission
- Construction starts

Current Mountain View



- 1-5: Entrance/
Fitness
- 6: Pool
- 7-8: Bathroom/
Showers
- 9: Horseshoes
- 10: Mini Golf
- 11: Lawn Bowling
- 12: Pickleball
- 13: Tennis
- 14: Auditorium

Renovated Mountain View



- 1-5: Entrance/
Fitness
- 6: Pool
- 7-8: Bathroom/
Showers
- 9: Horseshoes
- 10: Mini Golf
- 11: Domed
pickleball
- 12: Existing
Pickleball
- 13: New Pickleball
- 14: Auditorium
- 15: Outdoor Spa

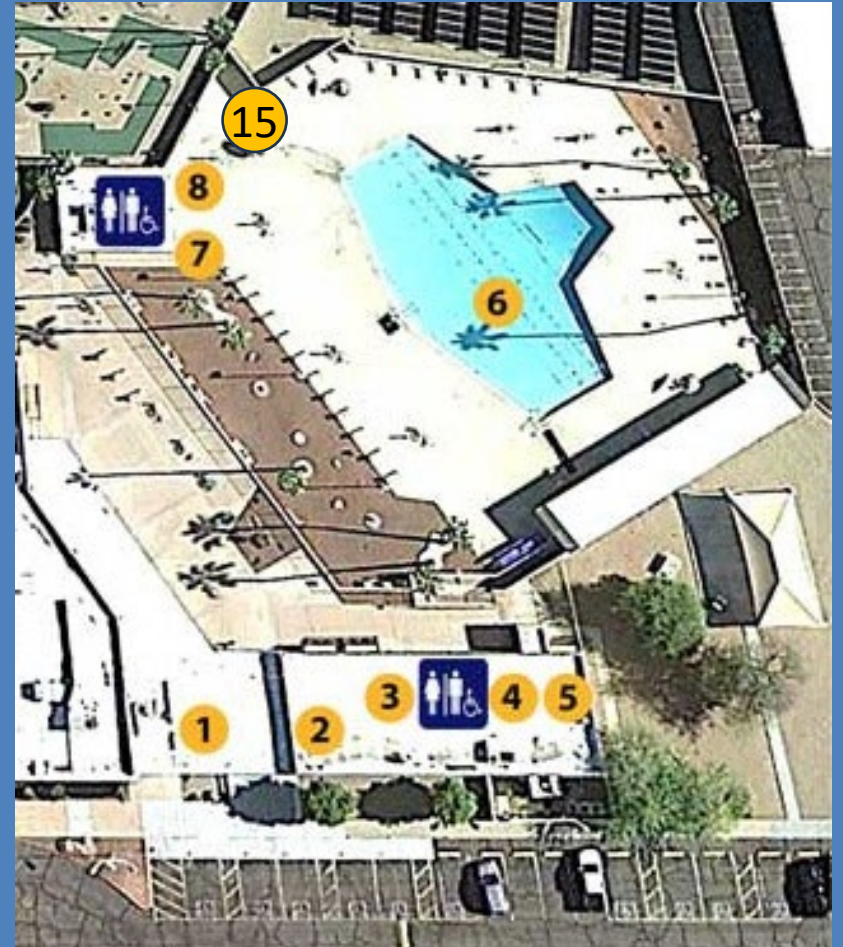
Entrance/Fitness Area

- Primary entrance into complex
- Expand fitness area into unused spa area, possibly larger
- Large windows facing pool
- Update restroom/shower areas



Pool Area

- 6 - Pool
 - Keep current configuration
 - Renovate deck area
 - New plumbing & equipment
 - ADA access to pool
 - Convert stairs to ramp
- 7/8 - Bathroom/locker rooms
- 15 - Outdoor spa
 - Location TBD
 - Shade structure
 - Outdoor showers



Miniature Golf / Horseshoes

- 9 – Refresh Horseshoes
- 10 – Miniature Golf
 - Updated but keep current look and feel



Pickleball/Tennis/Lawn Bowling

- 12 – Existing Pickleball
 - Restore courts
 - Spectator seating
- 13 – Tennis Courts
 - Convert to Pickleball
- 11 – Lawn Bowling
 - Convert to Pickleball
 - Domed pavilion over courts
 - Restore Fairway lawn bowling



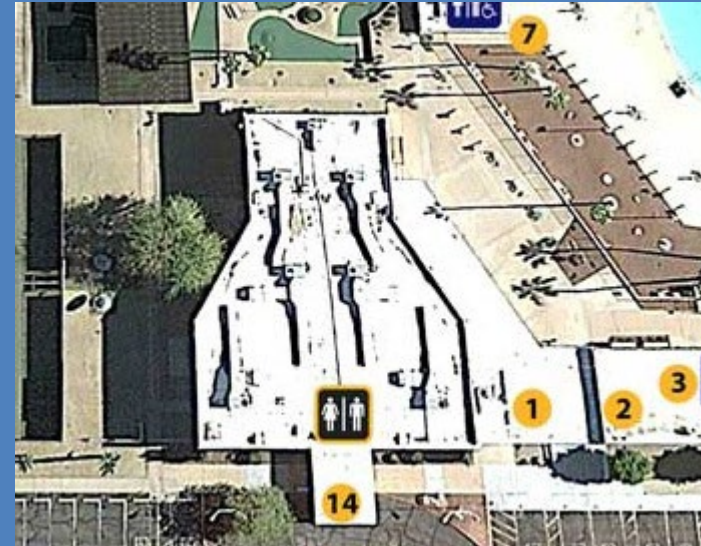
Pickleball Dome

- Several manufacturers
- Not permanent structure
- Customized for our needs
- Any color fabric
- Sides can raise for ventilation
- Can be air conditioned
- Very durable; numerous domes already used, ASU practice facility, warehouses, etc.



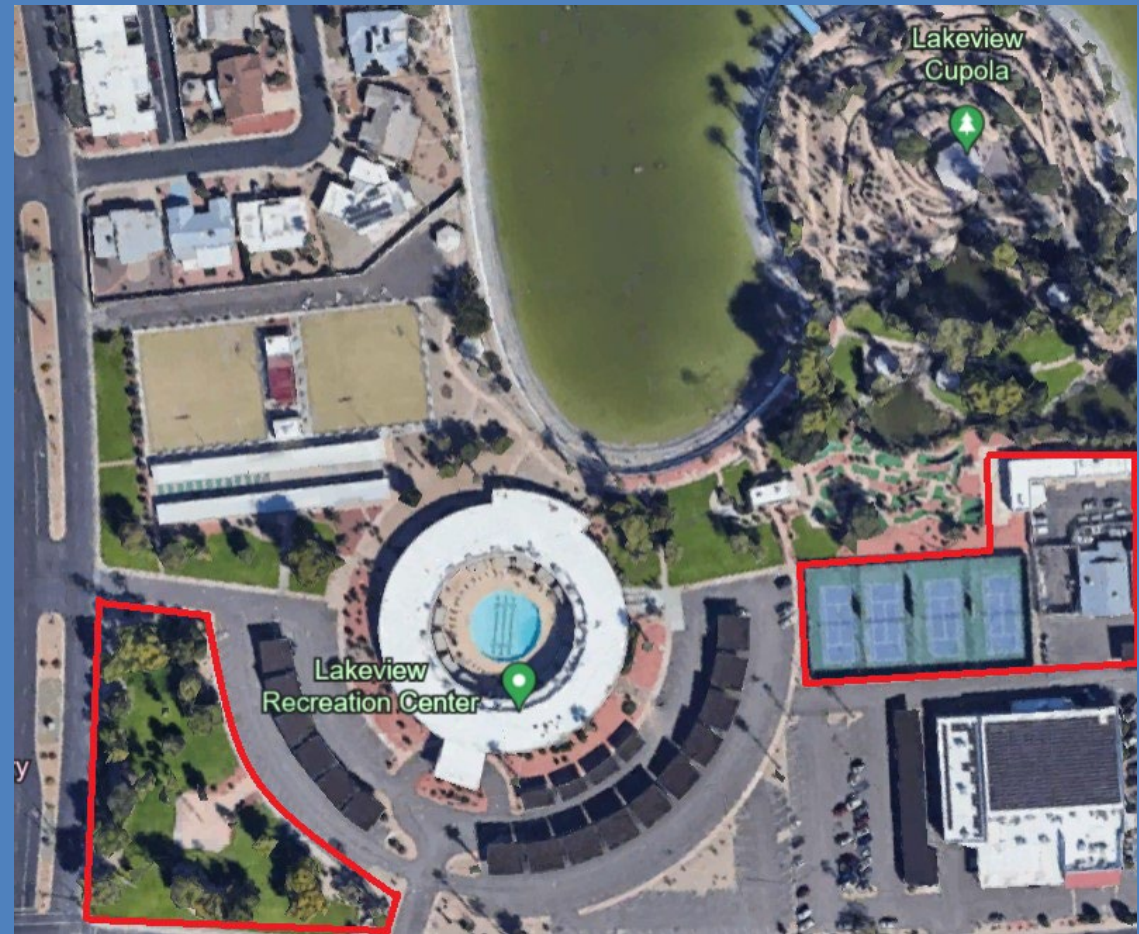
Auditorium

- Not touched and can be used during renovation
- Can be repurposed, renovated, or demolished for a different structure after PAC construction is complete



Lakeview Performing Arts Center

- New PAC at Lakeview
 - Location TBD
 - Lobby
 - Theater-style seating
 - ADA compliant
 - Dressing rooms, production storage
 - Modern light and sound systems
 - Better acoustics
 - Parking not a concern



Why Put the PAC at Lakeview?

- Centralized location with more acreage
- Current auditorium used during renovation
- Useable for numerous clubs, community events, meetings, movies
- 10,000 sq. ft., approximately 300-350 seats
- Keep Lakeview lawn bowling, shuffleboard, fishing, and mini golf

Comments?

A Different View of Mountainview

Principles We Fought For

- Member focused management
- Data based decision making
- Complete transparency in the decision-making process and financial matters
- Sense of urgency to do the right thing
- Mission, Vision and Values
- A long-range plan aligned with our mission, vision and values

Process Concerns

- Impartial data-based decisions
 - The Board, should present a compelling & coherent case to the members
- Full transparency
 - We should publish all documents, including drafts, the Board has discussed.
- Insufficient discussion of data at Board level
- Lack of expert advice to Board
- Lack of approved long-range plan

Project Concerns

- Vagueness of plan
 - Schedule, Cost and Definitiveness
- Displacing existing amenities to accommodate one amenity
 - Expense and disruption versus current need
- Lack of complete plan for either site and lack of overall vision
- Rush to do something

Solutions

- Pickleball capacity
 - Convert Mountainview tennis courts to six outdoor courts
 - Consider reservation system to spread out play and when reservation for courts are “taxed” expand capacity (add courts)
- Plan M
 - Perhaps some minor modification based on SAC meetings and trade-off analysis
 - Mountainview lawn bowling earmarked for future pickleball expansion if trends continue or currently converted to outdoor courts if immediate need demonstrated.
- Fast track long range plan
 - Use expert advisor to accelerate process