

RECREATION CENTERS OF SUN CITY, INC.
BOARD MEETING AGENDA
Thursday, February 29, 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. Request to approve the decharter of the Stamp Club at the request of the club.
- Motion Second Readings
 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 and Performing Arts Center 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 and to build or renovate a performing arts center.

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- New Business

1. ***Treasurer Borski*** – I move to amend Board Policy #10 titled RCSC Rules and Regulations, Section titled Household Pets and Service Animals, Item # 3 as follows:

Household Pets and Service Animals (*also see Dog Parks*)

1. Pets are not allowed at any RCSC Facilities, including but not limited to all buildings, golf courses, grounds, parking lots, except for dogs at RCSC dog parks, Best Friends Dog Club and/or dogs trained as service animals.
 2. For RCSC Dog Parks, refer to the Dog Park(s) section in this policy.
 3. The Best Friends Dog Club members, guests, instructors may bring their dogs for training, classes and events in the fenced area designated for such (must remain confined to this area) at the Fairway Recreation Center. In addition, active members of the Best Friends Dog Club whose dogs have passed the American Kennel Club's Canine Good Citizen Advanced certification evaluation, shall be permitted to participate in Best Friends Dog Club sanctioned events on RCSC properties, after obtaining approval from RCSC Management.
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2. ***Director Richtmyre*** – I move that the expenditure for the complete replacement of the Sun Bowl parking lot be moved from the Capital Project expenditure list to the PIF (Preservation Improvement Fund) expenditure list and approve the use of PIF monies in 2024 for replacement of the Sun Bowl Parking Lot. The estimated useful life for the new parking lot is expected to exceed twenty years. The actual cost of the project is estimated to be approximately \$600,000.
 3. ***Director Richtmyre*** – I move that the expenditure for the replacement of two remaining dehumidification units, purchased in 2007, be moved from the Capital Project expenditure list to the PIF (Preservation Improvement Fund) expenditure list and approve the use of PIF monies in 2024 for the replacement of the two Sundial dehumidifier units. The estimated operational life for the new dehumidification units is estimated to exceed 15 years with proper scheduled maintenance. The actual cost of this project is estimated to be approximately \$1,000,000.

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4. **Director Collins** – I move to fund the PIF Project for the Best Friends Dog Club (BFDC) building with an amount of \$1.5 million.
5. **Director Fast** – I move that the Board hereby approve an amount for the 2024 budget not to exceed \$150,000 for the long-neglected maintenance on the Lakeview Tennis Courts.
6. **Director Kise** – I move to amend Board Policy #17 titled Golf, Section titled General Golf Rules & Regulations as follows:

General Golf Rules & Regulations

All guests 18 years of age and younger must be accompanied by an adult (*19 years of age or older*). Children under 8 years of age are not permitted to play the courses or use the practice facilities. Children 8 years of age and older are permitted on all driving ranges and practice facilities and may play the Executive Courses after 1:00pm seven days a week. Children 12 years of age and older are permitted to use all courses and practice facilities. During the period of April 1 through October 31, organized junior golf events may be booked for participants ages five and older. Such events must be organized by a recognized local, state or national organization, be highly supervised and follow established guidelines for booking events. A Cardholder is not required to play with an adult guest 19 years of age or older, but the Cardholder must be in good standing and send his/her valid and current RCSC card with the guest to sign in for play.

1. All RCSC Member and Privilege Cardholders (hereinafter referred to as “Cardholders”), in good standing, and their invited guests may use RCSC golf facilities for a reduced rate by presenting a Member or Privilege card. All players and their guests must check in with RCSC personnel at the pro shop prior to entering the course and at least 15 minutes prior to their scheduled tee time. After 5 pm when the pro shops are closed, All Course No Fee Golf Permits and After 5 Golf Cardholders are allowed to play without checking in with RCSC personnel.
- ~~2. Men must wear shirts with sleeves; women cannot wear halters or bra-type tops. Bare feet are not allowed and metal spikes and turf-type athletic shoes are not permitted. Shorts must be hemmed; short shorts, cut-off shorts and bathing or swimming attire is not permitted.~~
- ~~3. Cardholders and their invited guests shall follow golf etiquette rules common to the game of golf.~~
- 2.** The Director of Golf, or his/her designee, shall have the authority to enact and enforce any administrative rule or policy which contributes to good golf etiquette; speeds up play; and/or protects the safety of the golfers or spectators. Such rules may be posted in the pro shops and/or on the golf course and/or on the scorecard.
- ~~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 three carts for any group on all 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,~~

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~~fivesomes may be allowed on executive courses. 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.~~

- ~~5. Non golfers are not allowed on the course, including cart paths, during golfing hours, excluding a rider who must remain in the golf cart at all times. Golfing hours are defined as beginning at the first tee time until sunset. Organized events may allow spectators at the discretion of the Director of Golf.~~
- ~~6. Except for bicycles specifically manufactured for golf course use and approved by the Director of Golf, bicycles are not allowed on the golf course, including cart paths, during golfing hours, defined as beginning at the first tee time until sunset.~~
- ~~7. Practicing is not allowed on the course at any time; use practice facilities for this purpose. Range baskets are not permitted outside of practice facilities.~~
8. **3.** Renewal of annual golf permits/passes can be done prior to the expiration date, however, if the card is due to expire after such time that there is an increase in the fee for an annual golf permit/pass, the renewal will be done at the new increased rate or at an earlier date. If annual property assessments are not current, annual golf permits/passes will not be honored.
- ~~9. The Recreation Centers of Sun City has established the following guidelines for tires used on our eight (8) golf courses:~~
 - ~~a. Tires used on the vehicle must be referred to as a golf course tire by the manufacturer~~
 - ~~b. Tires must have a rounded vertical tread with a depth not to exceed ¼ inch~~
 - ~~c. Tire width must be minimum of eight (8) inches~~
 - ~~d. The pressure of the tire must not exceed 28 PSI~~

The Next meeting will be the Exchange Meeting on March 11, 2024 at 9:00am in the Sundial Auditorium. The Annual Meeting is March 12, 2024 at 6:00pm in the Sundial Auditorium. The next meeting of the Board of Directors will be on March 28, 2024, at 9:00am in the Sundial Auditorium.

- Adjournment

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

January 25, 2024

At the Board meeting called to order by President Fimmel at 9:00am on January 25, 2024 at Sundial Auditorium, the following took place:

PRESENT: Kat Fimmel, President; Karen McAdam, Vice President; Anita Borski, Treasurer; Jean Totten, Secretary and Directors John Fast, Jim Rough, Steve Collins, Preston Kise, Connie Jo Richtmyre

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; Mike Dirmyer, Director of Bowling; Beth Lucas, Communications Manager; Joelyn Higgins Communications Coordinator; Marcia Johnson, Corporate Executive Coordinator; Barry Masloff, Centers Co-Leader; Angie Bird, Centers Co-Leader; Debbie Giles, Executive Assistant to GM; Allen Kleinhans, Doreen Rafferty Audio/Video Engineers; 53 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.

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

Approval of Minutes: With no questions noted, the Minutes of the December 14, 2023 Board Meeting were approved as presented.

Treasurers Report: Treasurer Borski read the Treasurers Report and the Treasurers Report was filed for audit.

Management Report: With questions answered on the Management Report, the Management Report has been accepted as presented.

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

President Comments: President Fimmel stated that it's a new year with new opportunities ahead. Primary is the Mountain View project with a motion today to move forward. By moving forward today, we will be stepping closer to putting the project into the hands of a design engineer. She thanked the Strategic Alternatives Committee (SAC) for the work they did in providing information and also the Long-Range Planning (LRP) committee who developed the presentation for the town halls. Because of the work done by these two committees, the Board was able to develop elements and will move forward. Please know that this is not the end of member involvement in this process, it is just the beginning.

Announcements:

Secretary Totten stated that we have a new reporter for the Independent.

Secretary Totten also stated that there was no Friends of the Library meeting this month.

Secretary Totten, Liaison for SCHOA Roads and Safety reported that the Posse commander was one of the speakers and she gave a year end update with many notable figures. There were 18,961 vacation watches, 267 calls to check on a family member, 9,264 gallons of gas used which might be the reason they added two electric vehicles to their fleet. The number that caught my eye was 61,624 volunteer hours by their Posse officers. That is no small amount. Just like here, we cannot thank our volunteers enough.

Treasurer Borski, Liaison for Sun City Community Assistance Network (SCCAN) reported that they have provided a space in their office for AARP to do income taxes. This will start on February 1st and it is free of charge. Go into their office pick up a packet and make an appointment. Their office is located at 102nd Ave and Coggins.

Consent Calendar Items:

1. Request to approve the name change from Bell Tea Dance Club to Bell Afternoon Dance Club per club's request-motion passes unanimously.

A motion was made by Director Rough to approve the name change from Bell Tea Dance Club to Bell Afternoon Dance Club. Seconded by Director Kise, the motion passed unanimously.

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.

Seconded by Director Fast, the motion passed its first reading unanimously.

Prior to the PowerPoint Presentations, Director Rough made the following statement:

I want to talk about the process that the Board is initiating.

The Board has decided to go forward with the elements for each part of the remodel and get architects and engineers to look at the details of what we want at Mountain View and the Performing Arts Center (PAC). We don't know how much that will cost, but the process is one of identifying details so that the architect/engineer can design the remodel.

No details of the design are determined as yet. We need to get the design and plans to submit to the county for approval. We still won't know what it's really going to cost until the completed plans go to construction companies for bid.

Nothing that we have planned is absolutely going to happen. All decisions depend on costs and input from everyone as we go through this process. I want you to be aware that there are no final decisions. This is the initial plan that we think is the best for Sun City.

The PAC will start at the same time whether at Lakeview or Mountain View.

Prior to the motion, Director Kise and Director Fast both gave a PowerPoint Presentation on the Mountain View Project.

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.

Prior to the vote, Director Kise moved to amend the motion to read: I move to approve the Mountain View Recreation Center and Performing Arts Center 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 and to build or renovate a performing arts center.

Seconded by Treasurer Borski, the amendment passed 8 to 1 with Director Fast opposed.

The vote was taken on the amended motion, and it passed the first reading 8 to 1 with Director Fast opposed.

Next Meeting: President Fimmel reported that the next meeting will be the Exchange Meeting on February 12, 2024 at 4:00pm 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: President Fimmel stated that with no further business, the meeting will be adjourned. The meeting was adjourned at 11:04am.

Respectfully submitted,

Jean Totten, Secretary

Recreation Centers of Sun City, Inc.

Treasurer's Report

February 29, 2024

The balance of unrestricted funds as of January 31, 2024, was \$19.0 million which includes a \$2.5M cash reserve. Restricted funds include the Preservation and Improvement Fund ("PIF") and the Capital Reserve Fund. As of January 31, 2024, PIF had a balance of \$33.5 million, and the Capital Reserve Fund had a balance of \$5.6 million.

The Carryforward balance as of January 31st was \$5.5 million. This balance decreased from the 2023 year-end balance of \$10.4 million due to the allocation of \$6.5 million in Carryforward funds towards the 2024 budgeted Capital Projects.

The corporation operated within its budget year to date in 2024.

Respectively submitted by

Anita Borski, Treasurer

Recreation Centers of Sun City, Inc

Balance Sheet

Wednesday, January 31, 2024

	Current Year	Prior Year
ASSETS		
Cash and Investments		
Petty Cash	\$11,787	\$12,287
Cash in Bank	13,749,980	14,649,392
Cash - Money Market	2,774,786	2,902,983
Operating Reserve	2,500,000	2,500,000
Subtotal Cash and Investments	19,036,553	20,064,662
Preservation/Improvement Fund	33,520,295	31,694,120
Capital Reserve	5,644,038	5,612,533
CIF Fees	68,950	0
Accounts Receivable	93,428	127,105
Accounts Receivable - Assessments	180,301	197,723
Deposits & Prepaids	213,821	354,111
Inventory	177,677	163,308
Subtotal Cash, Investments and Other Current		
Assets	58,935,063	58,213,562
Fixed Assets		
Land	4,397,807	4,397,807
Land Improvements	41,582,653	40,925,972
Buildings & Structures	99,556,945	90,992,560
Furniture, Fixtures & Equipment	33,601,381	33,110,451
Vehicles	2,005,551	1,882,190
Less: Accumulated Depreciation	(101,612,071)	(95,799,674)
Net Fixed Assets	79,532,266	75,509,306
Work in Progress	9,404,183	9,074,256
Total Assets	147,871,512	142,797,124
LIABILITIES & NET WORTH		
Current Liabilities		
Accounts Payable	1,026,969	849,318
Other Current Liabilities	283,962	356,419
Deferred Income	8,219,254	8,238,933
Deferred PIF Income	31,869,507	31,501,951
Total Current Liabilities	41,399,692	40,946,621
Other Liabilities		
Net Worth		
Net Worth	105,914,397	100,536,669
Excess/Deficit Year to Date	557,423	1,313,834
Total Net worth	106,471,820	101,850,503
Total Liabilities and Net Worth	147,871,512	142,797,124

Footnote: The 2023 year-end Carryforward balance was \$10.4 million.

Recreation Centers of Sun City, Inc
STATEMENT OF INCOME AND EXPENSES
For the One Month Ending Wednesday, January 31, 2024

	January Actual	January Budget	YTD Actual	YTD Budget	YTD Variance	Prior YTD
Operating Income:						
Property Assessments	\$1,149,681	\$1,150,548	\$1,149,681	\$1,150,548	(867)	\$1,076,512
Transfer & Access Fees	31,500	55,000	31,500	55,000	(23,500)	39,600
Privilege & Guest Cards	90,296	92,957	90,296	92,957	(2,661)	86,094
Food/Liquor Sales	91,953	95,461	91,953	95,461	(3,508)	90,773
Bowling Fees	97,181	95,135	97,181	95,135	2,046	93,670
Prepaid Green Fees	176,935	178,821	176,935	178,821	(1,886)	176,285
Prepaid Green Fees - Non	30,108	39,000	30,108	39,000	(8,892)	30,353
Daily Green Fees & Surcharge	556,020	612,175	556,020	612,175	(56,155)	533,119
Range Fees	31,320	39,618	31,320	39,618	(8,298)	37,517
Cart Rental	48,101	56,351	48,101	56,351	(8,250)	52,808
Merchandise Sales	13,451	17,323	13,451	17,323	(3,872)	17,196
Cardholder Events & Club Fees	96,278	114,100	96,278	114,100	(17,822)	37,707
Rental Income	45,767	30,028	45,767	30,028	15,739	45,552
Contributions	5,636	5,825	5,636	5,825	(189)	6,825
Miscellaneous Income	4,222	984	4,222	984	3,238	5,064
Total Operating Income	2,468,449	2,583,326	2,468,449	2,583,326	(114,877)	2,329,075
Operating Expenses:						
Salaries and Wages	903,477	1,011,031	903,477	1,011,031	(107,554)	772,927
Payroll Taxes & Benefits	199,590	280,282	199,590	280,282	(80,692)	179,327
Repairs and Maintenance	286,009	454,758	286,009	454,758	(168,749)	186,527
Utilities Expense	228,151	215,017	228,151	215,017	13,134	188,070
General Operating Expense	144,668	415,039	144,668	415,039	(270,371)	164,539
Cost of Goods Sold -Food &						
Liquor	28,625	30,679	28,625	30,679	(2,054)	29,144
Cost of Goods Sold - Merchandise	20,891	25,313	20,891	25,313	(4,422)	23,224
Cost of Goods Sold - Events	36,682	33,087	36,682	33,087	3,595	16,091
Total Operating Expenses	1,848,093	2,465,206	1,848,093	2,465,206	(617,113)	1,559,849
Net Operating Excess/(Deficit)	620,356	118,120	620,356	118,120	502,236	769,226
Other Income:						
Insurance Proceeds	0	0	0	0	0	1,000
Interest Income	64,125	29,375	64,125	29,375	34,750	42,153
Investment Income (Unrestricted)	48,809	7,500	48,809	7,500	41,309	(3,271)
Unrealized Gains/Losses						
Investments (Unrestricted)	0	0	0	0	0	384,825
Total Other Income	112,934	36,875	112,934	36,875	76,059	424,707
Other Expense:						
Property Tax	12,007	12,100	12,007	12,100	(93)	12,232
Insurance	91,478	87,675	91,478	87,675	3,803	64,046
Investment Fees (Unrestricted)	2,647	1,958	2,647	1,958	689	1,965
Total Other Expense	106,132	101,733	106,132	101,733	4,399	78,243
Net Excess/(Deficit) Before Depreciation	627,158	53,262	627,158	53,262	573,896	1,115,690

SUPPORT/FINANCE

Financials:

RCSC ended January within its operating and capital budget year to date. All Divisions except Golf have met or exceeded their net operating budget projections year to date. Golf was (\$22.2k) unfavorable due to Public and Guest Greens fees being (\$32.8k) and (\$17.5k) under budget, respectively. Operating income for January totaled \$2,468k and was (\$114.8k) unfavorable to budget due to the Golf revenue items mentioned above, and Transfer Fees being (\$23.5k) under budget due to fewer than anticipated home resales. Operating expenses for the month were \$1,762k and \$614.2k favorable to budget to Wages and Benefits being \$188.2k favorable to budget, Building and Projects under budget by \$146.4k due to timing, and Equipment under budget by \$107.5k due to the timing of fitness equipment purchases. Year to date Net Operating Excess was \$620.4k and favorable to budget by \$502.2k (81.0%). This favorable year to date Operating Excess was due to the \$614.2k favorable Operating Expense variance, offset by the (\$114.8k) shortfall in January income.

Purchasing:

RCSC hired a Procurement Coordinator in January to improve our internal controls related to contracts and purchasing. In January, the new Coordinator began to gather quotes to replace many of our old company vehicles and put these vehicles under a fleet program for improved preventative maintenance. The Coordinator also began to execute master service agreements with our larger vendors and is reviewing available software options to better track our vendors' certificates of insurance.

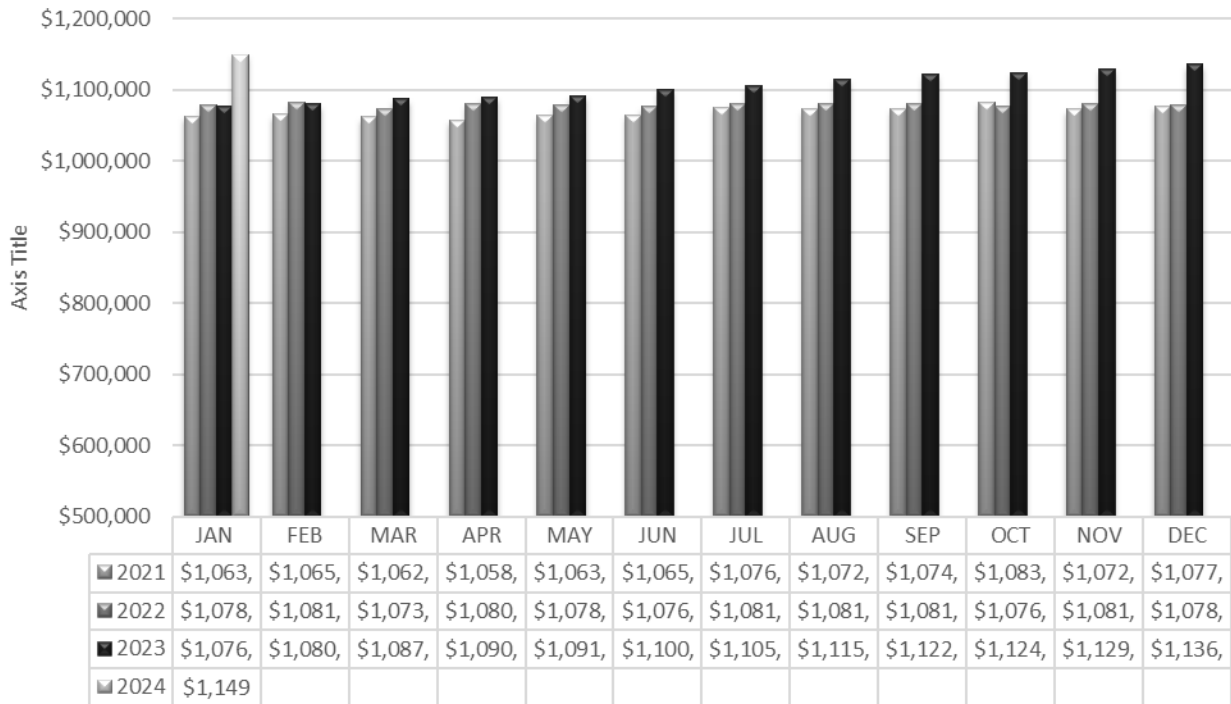
Cardholder Services:

Payments on past due assessments in January were 13.5% of past due balances. Overall, accounts receivable decreased in January by 2.1%. Overall accounts receivable for past due balances increased in January by 4.0%. December assessments went 30 days past due at a rate of 7.7% and November assessments went 60 days past due at a rate of 4.7%

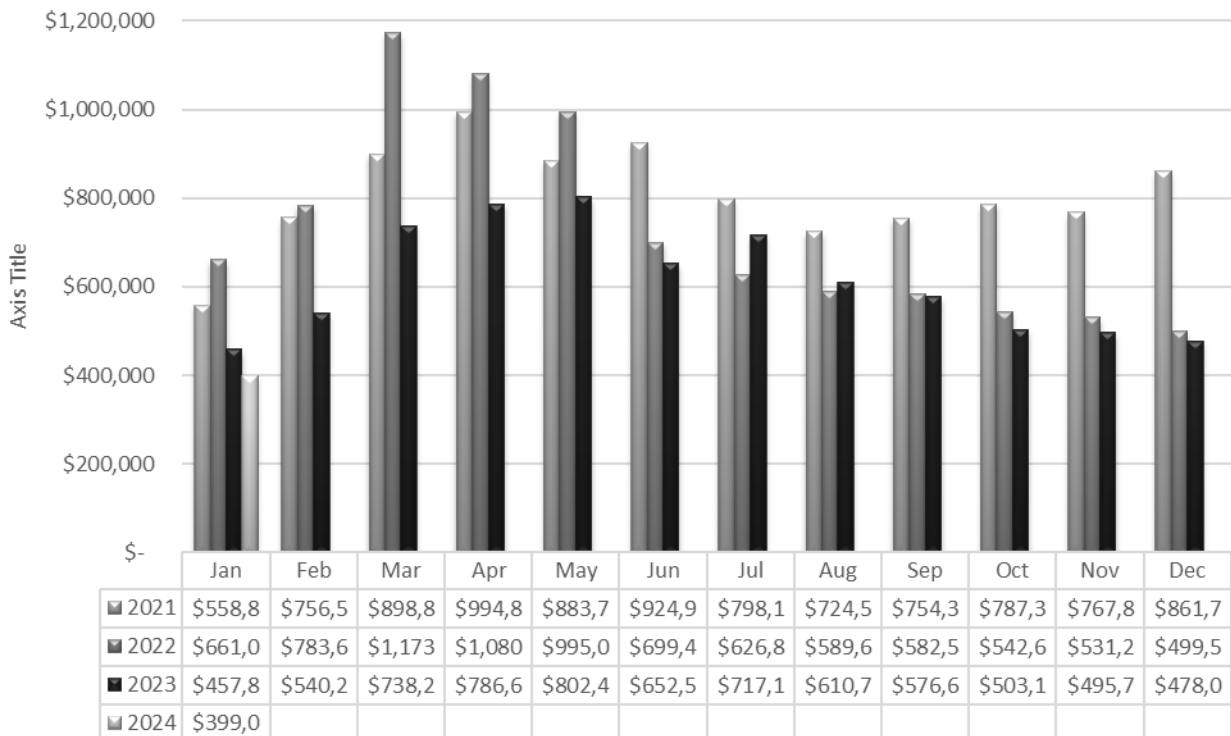
Payments through third-party collections firms totaled \$9,406 in January. January payments made through the online web portal totaled \$213,536 from 392 property owners.

In January, property transfer balances decreased by 0.7%. Outstanding balances related to property transfers represent 52% of all receivables and 54% of past due balances. January trustee sale notices on Sun City AZ properties increased to 28, and properties owned by lending institutions remained at 2.

MONTHLY RCSC ASSESSMENT INCOME



MONTHLY PIF FUNDS COLLECTED



Information Technology:

In January, the Information Technology team received 106 new service requests, and closed 101 requests by month end, leaving 5 tickets remaining open. On average, IT closed service requests in less than one day in January.

IT completed the TEG Servicer Migration project in January and is planning to complete the migration of the remaining applications and data to the new Servers/Storage devices by late February/early March. IT has completed its office move from the Warehouse to Lakeview and filled the last open position for desktop support.

Human Resources:

Human Resources added 17 requisitions during the month of January and filled 6 requisitions, ending the month with 6 open positions. The time-to fill requisition KPI in January was 9 days. The January Turnover rate was 1.7%, or 20.6% on an annualized basis. This compares favorably to the 24.7% annualized Turnover rate in January of 2023.

FACILITIES

Projects:

In process:

Mountain View Recreation Center

- Elements list presented to Board for second reading (2/29/24)

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 \$7.59M
- Procuring two new fountains. No estimated completion date yet.

Recently Completed:

Bell Recreation Center

- Replaced missing shades between library & welcome center. Project was completed on 1/8/24 at a cost of \$5,039. Contractor: Total Shade
- Replaced laminate tops on worktables for Artistic Stained-Glass club. Project was completed on 1/22/24 at a cost of \$3,560. Contractor: Lee's Tapps Tops

Marinette Recreation Center

- Installed circuit extension for two outlets on fence on courts 1-4 for Pickleball Club. Project was completed on 2/2/24 at a cost of \$5,823. Contractor: Accel Electric

- Installed a new panel and three dedicated circuits for power outlets adjacent to courts 13 & 14 for the Pickleball Club. Project was completed on 2/2/24 at a cost of \$6,786. Contractor: Accel Electric
- Replaced canopies at west and south sides of the pickleball courts. Project was completed on 1/19/24 at a cost of \$5,811. Contractor: Total Shade

Sundial Recreation Center

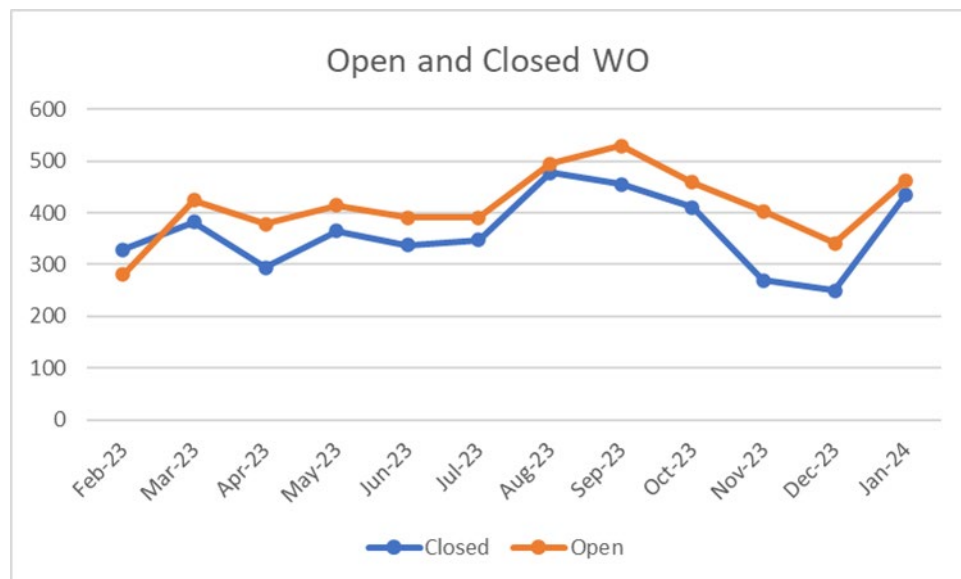
- Built gated dumpster enclosure for added security. Project was completed on 1/18/24 at a cost of \$30,561. Contractor: K.L. McIntyre GC
- Painted ceiling in Yoga studio. Project was completed on 1/7/24 at a cost of \$1,560. Contractor: Exquisite Painting

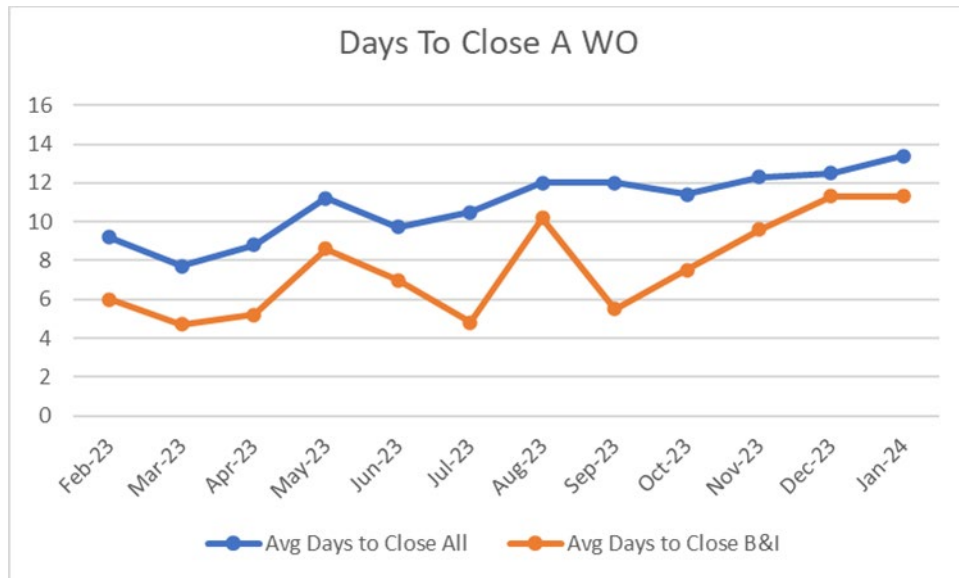
Willow Maintenance

- Repaired damaged slump block wall in maintenance yard. Project was completed on 1/2/24 at a cost of \$1,895. Contractor: Tri-C Diversified Construction

Work Orders (skilled trades repair & maintenance):

Facilities opened 464 new work orders and completed 435 work orders in January. The average time to close a work order in January was 18.9 days. Facilities has completed a total of 435 work orders in 2024.



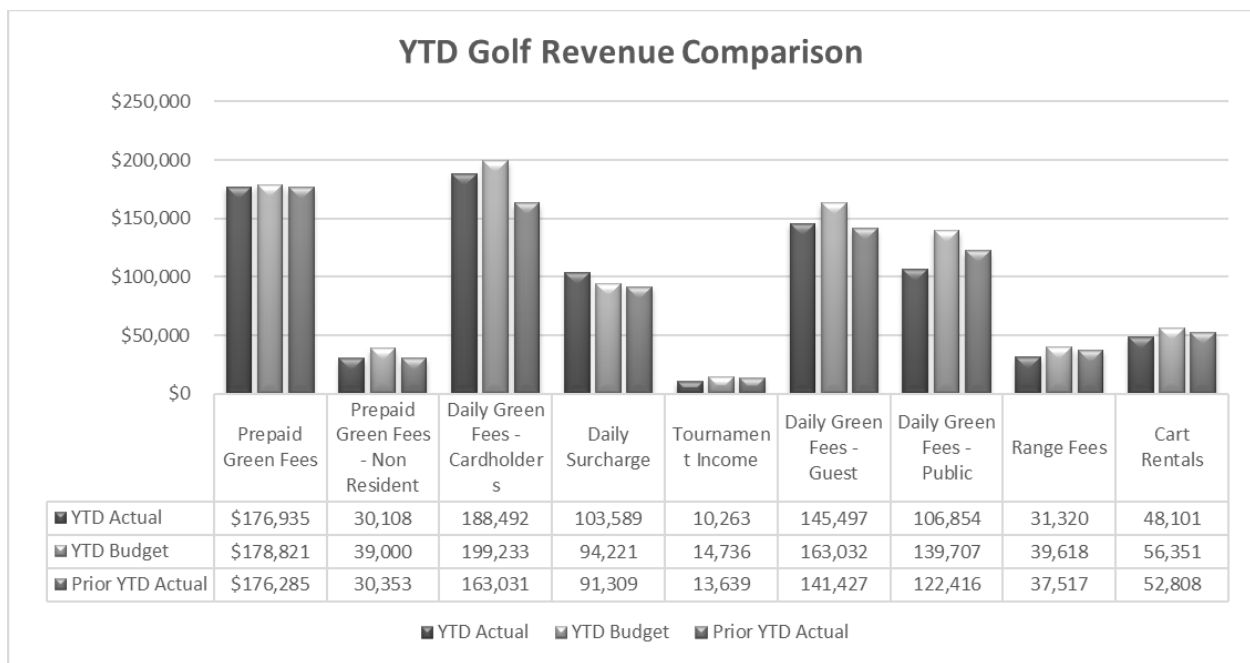
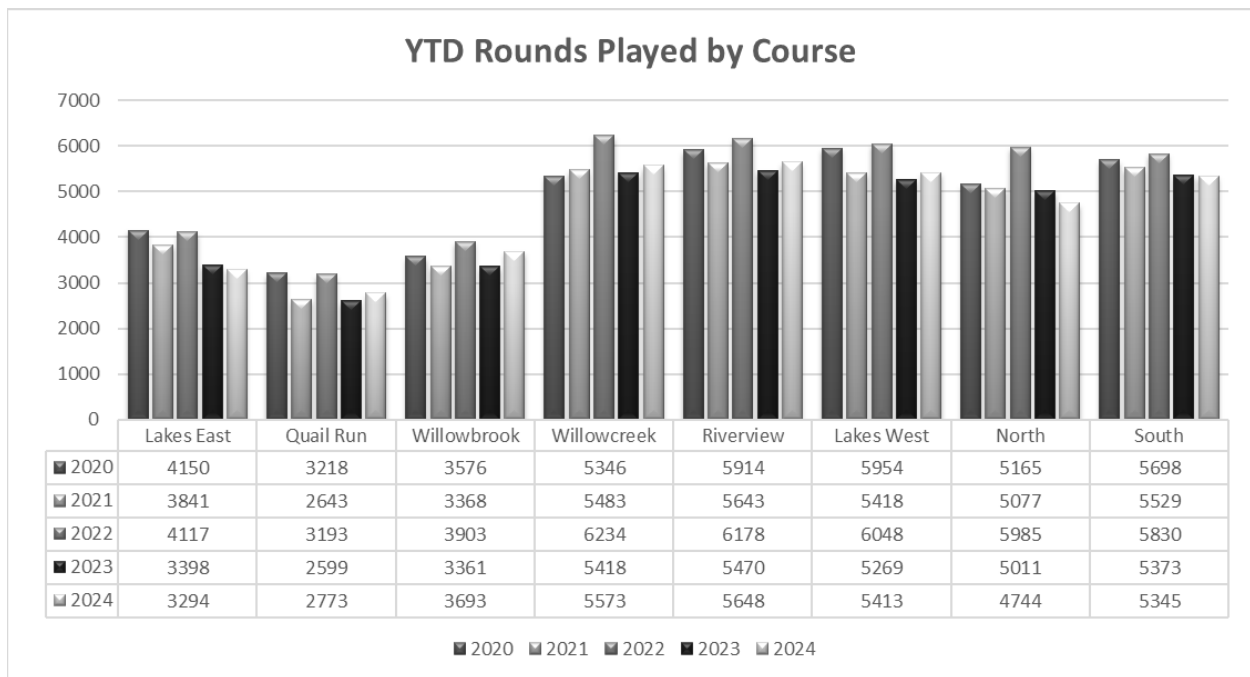


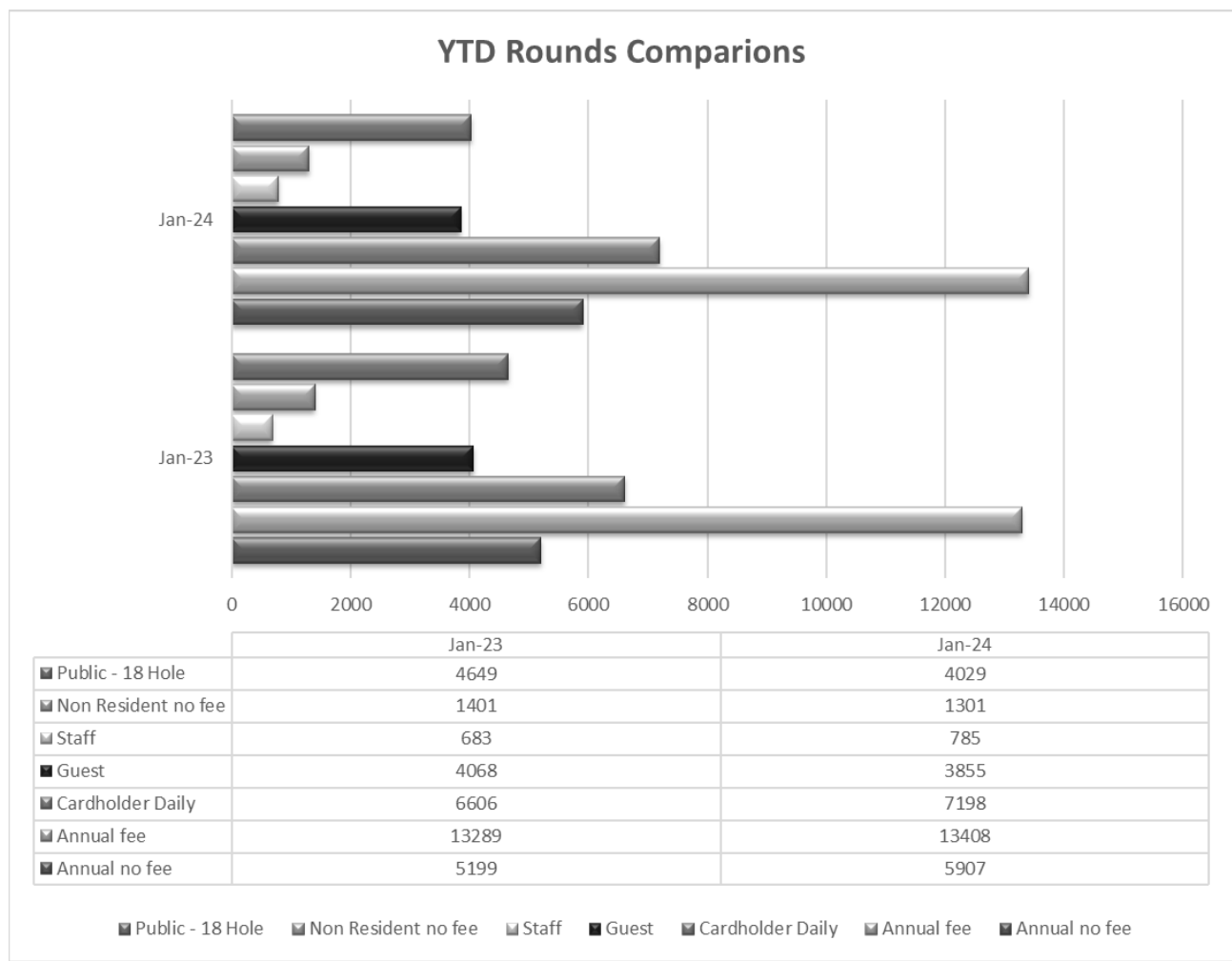
GOLF

Superintendent Update:

As the last few weeks of winter are upon us, I am pleased with the conditions of the golf courses. We are ultimately trying to maintain consistency across all of our courses. This can be challenging as each course presents its own microclimate unique to that property. Despite the winter challenges and not overseeding two of our courses, the Fairways and Greens as well as the expansion of the Green banks have been very well received. We are currently in the process of applying a pre-emergent herbicide to all eight of the courses which will alleviate the pressures of common summer weeds such as goosegrass and crabgrass. By the end of the month, we will have completed this application throughout our courses, and we will make a second application at the end of March through early April. I am also very pleased with our maintenance crews as they have answered the bell surrounding issues such as bunkers and desert cleanup. We look forward to needle tining the greens in March. This process will provide a great chance to eliminate compaction as well as provide adequate air and water movement in the root zone. This will have minimal impact on play. I thank you for your continued support of RCSC golf and we will continue to strive to be better each day.

PRO SHOPS:



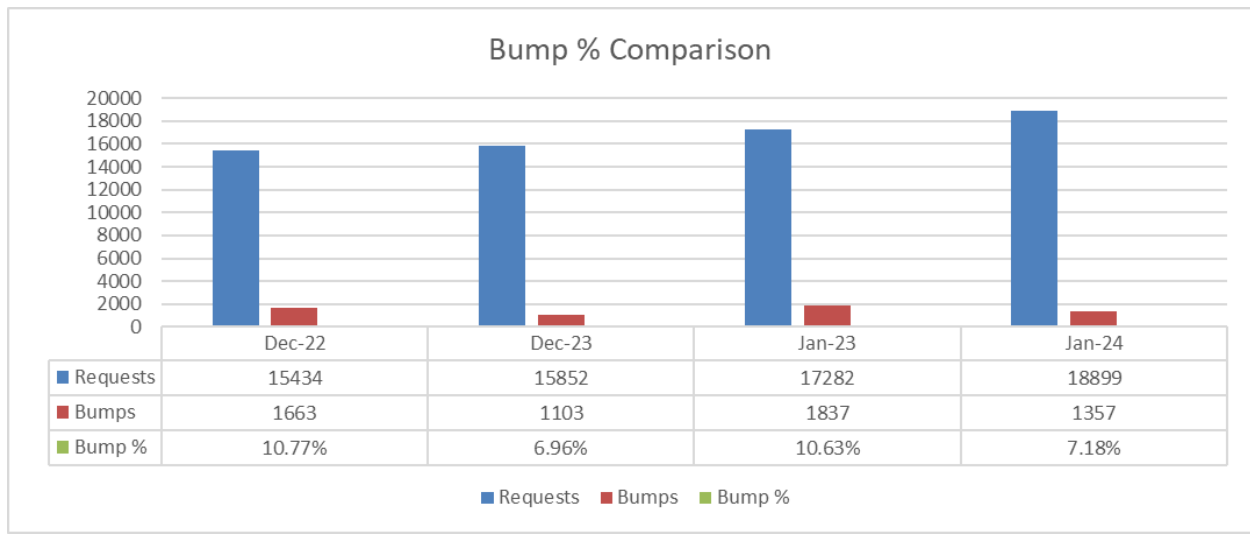


- 16.19% of total rounds played by Annual (Resident) No Fee Passholders YTD
- 36.75% of total rounds played by Annual Surcharge Passholders YTD
- 19.73% of total rounds played by Resident Cardholders YTD
- 3.57% of total rounds played by Annual (Non-Resident) Passholders YTD
- 11.04% of total rounds played by Public Golfers YTD
- 10.57% of total rounds played by Guests
- 2.15% of total rounds played by Staff

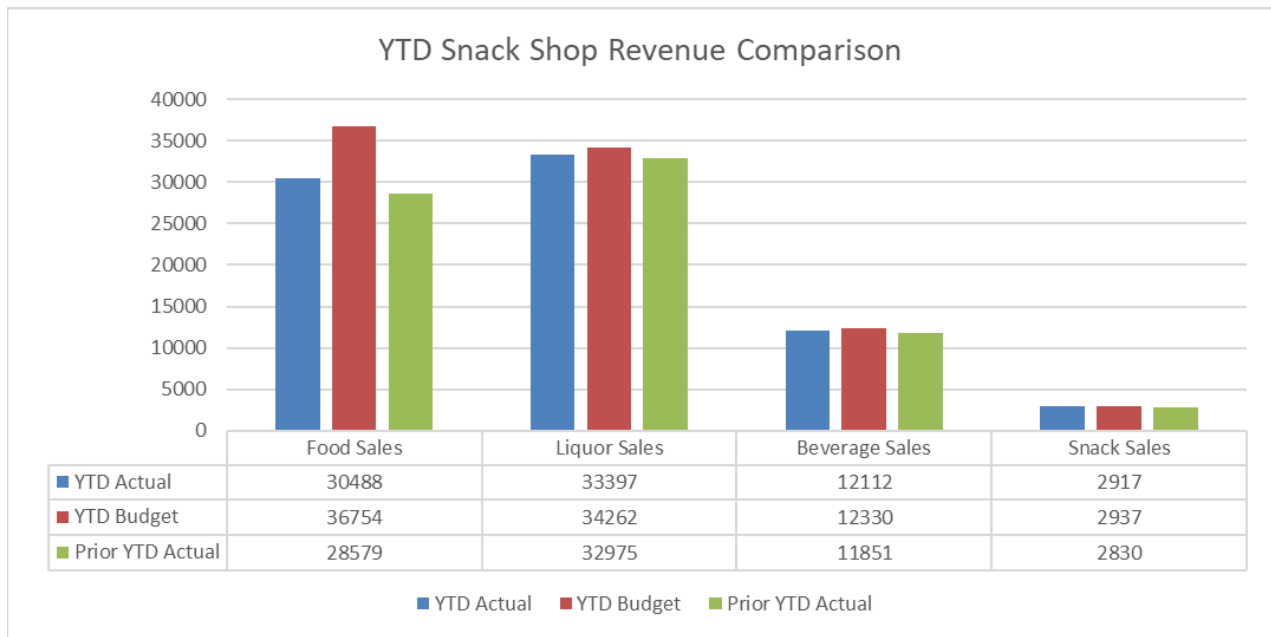
March 7, Lakes East/Lakes West will be hosting the annual Teal Ribbon Tournament. The event is open to ladies and men and no handicap is required. It is a 9-hole event with a 9:30 am shotgun start, and lunch follows play at Sundial. The proceeds benefit the University of Arizona Cancer Center for Ovarian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

The bump rate (those golfers requesting a tee time through the lottery that were unsuccessful) for January had similar results to December. Overall, we had an increase in the number of requests of 9.36% (17,282 in 2023 vs. 18,899 in 2024), however, the number of

golfers bumped dropped by 3.45% (1,837 in 2023 vs. 1,357 in 2024). Overall, our bump rate was 7.18% for the month.



Snack Shops:



Lawn Bowl & Grounds:

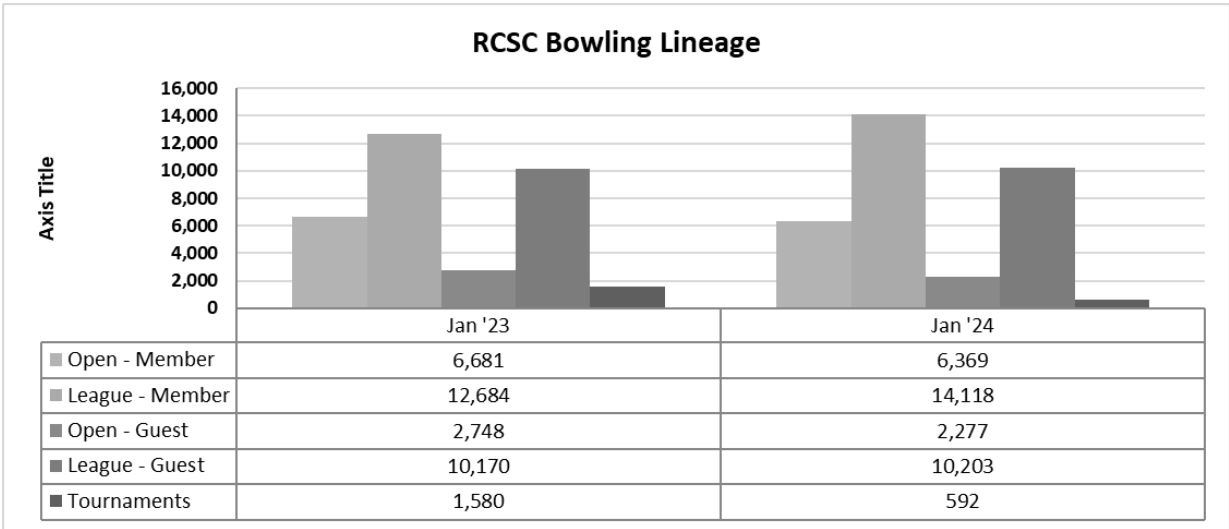
Green speeds range from a low of 13.0 seconds at Oakmont to a high of 14.2 seconds at Bell South. Moisture readings range from a low of 8.8 at Bell North to a high of 10.5 at Lakeview East.

The Lawn Bowl greens were being mowed once per week and rolled three times per week. At Bell, the crew is installing a root barrier to keep nearby tree roots from intruding on the green surface.

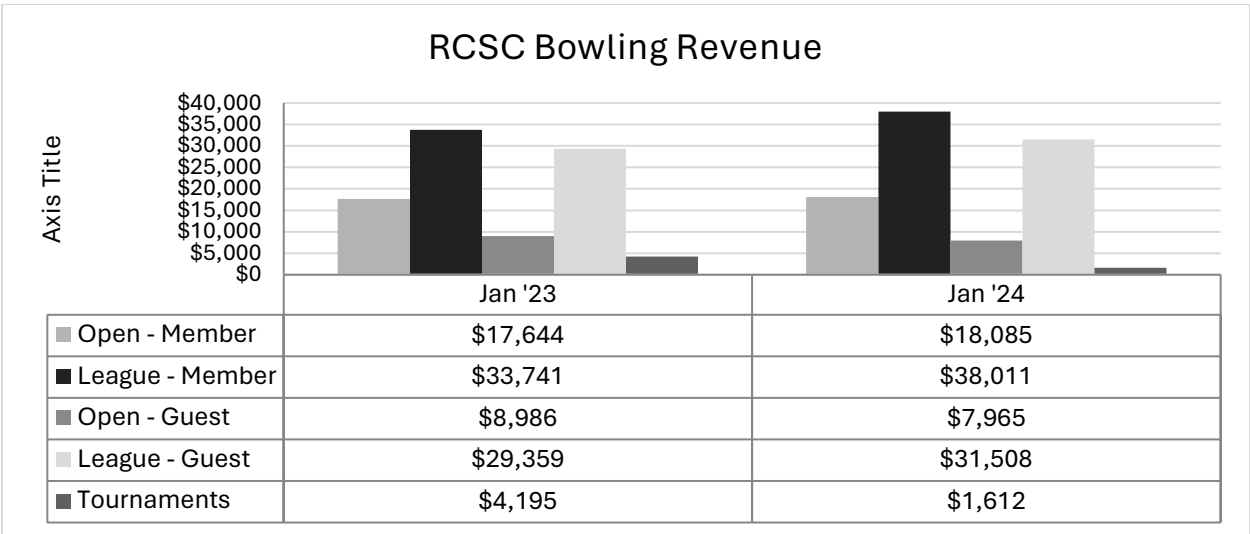
The softball field is being mowed twice per week and the infield is graded four times per week. The grounds team is busy spraying weeds brought on by the rains and getting Sun Bowl ready for the spring concerts.

BOWLING

January 2024, Bowling lineage remained the same compared to 2023 totals. January 2024 lineage totaled 34,286, compared to 34,290 in January 2023, a decrease of only 4 games.



January 2024 bowling revenue was \$97,181 which was 3% higher than January 2023 revenue of \$93,925.



Lakeview Lanes passed the United States Bowling Congress certification test and is now certified by the sport's governing body until 2027. Bell Lanes inspection was completed in December and is certified through 2026.

The Summer Leage Bowling Program has been developed and information is currently available at both bowling centers for anyone interested in joining a league this summer.

Activities:

The Sundial concert series occur every Wednesday night through March 27th. Doors open at 5pm and shows begin at 6pm. Most shows still have tickets available at the ticket office located at Sundial. The March 13th show *One of These Nights, Eagles Tribute* is sold out.

Sunday Nights at Sun Bowl begin the first Sunday in March. The lineup is available in printable PDF format on the website under the Recreation Tab, click Events & Entertainment. When viewing the PDF, there are links to band pages to get more information about the band performing. These shows are free for RCSC Members or Privilege Card holders (with photo) for entry, key fobs are not accepted.

Clubs:

Club Officer training was held during the last two weeks of January 2024. A copy of the training was posted to the website for those officers who were unable to attend. The 2023 Club financials have been received. The clubs are in the process of submitting their 2024 officer list, rosters and their 2025 schedules.

One club has been de-chartered (Stamp Club). The RCSC Board approved a name change for the Bell Tea Dance Club to the Bell Afternoon Dance Club. IRS paperwork has been submitted for their EIN to be updated with the new name.

Club attendance for January at all centers were:

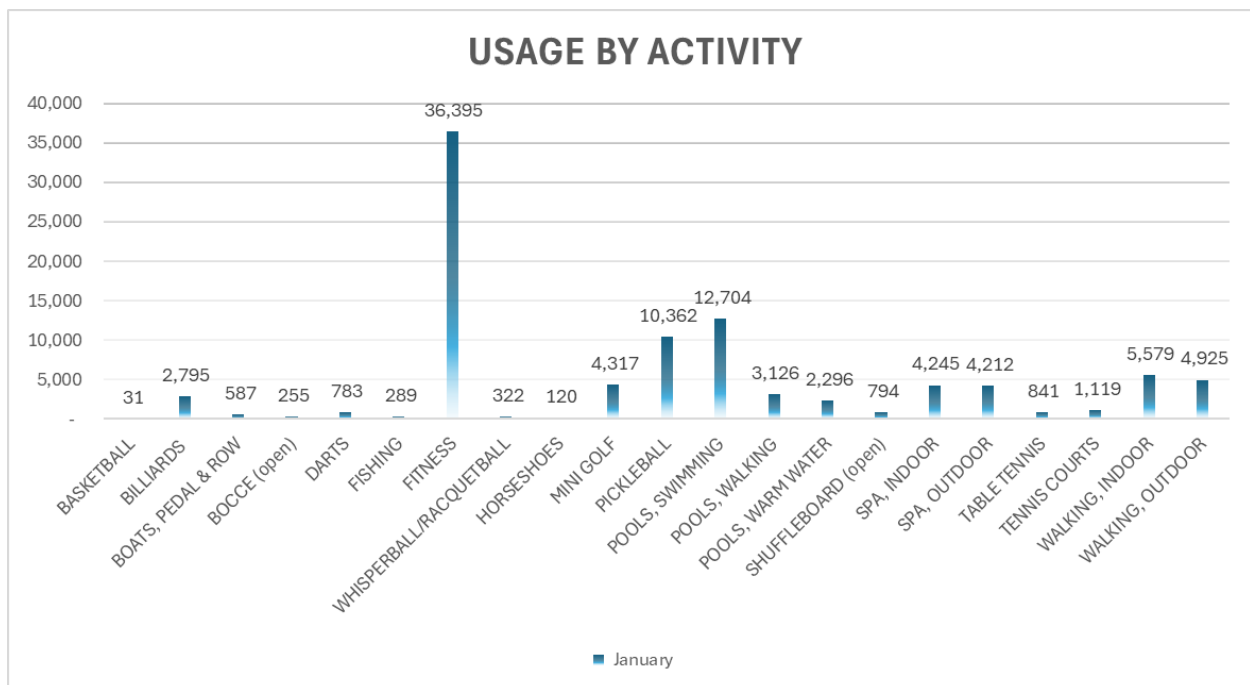
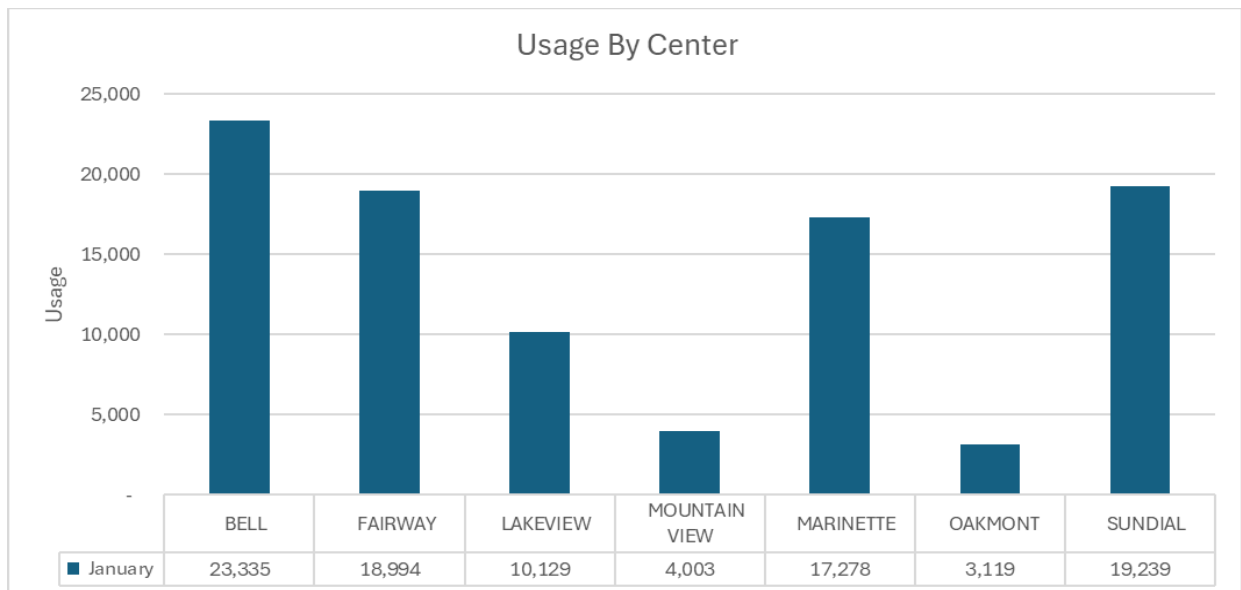
Members: 41,850 Guests: 2,794

Monitored Activity Area Check-ins: 18,977

Centers:

As many of our members have returned from other locations to avoid dealing with winter conditions, here at Sun City we have experienced some cool cloudy days with some much-needed rain for our Palms and Saguaros, but as you know it doesn't stick around for long even though it's winter. The Recreation Centers are in full swing with members and club participation. The fish are enjoying the newly reconstructed Lakeview Lake, so come take a ride on one of the four new pedal boats and enjoy the view.

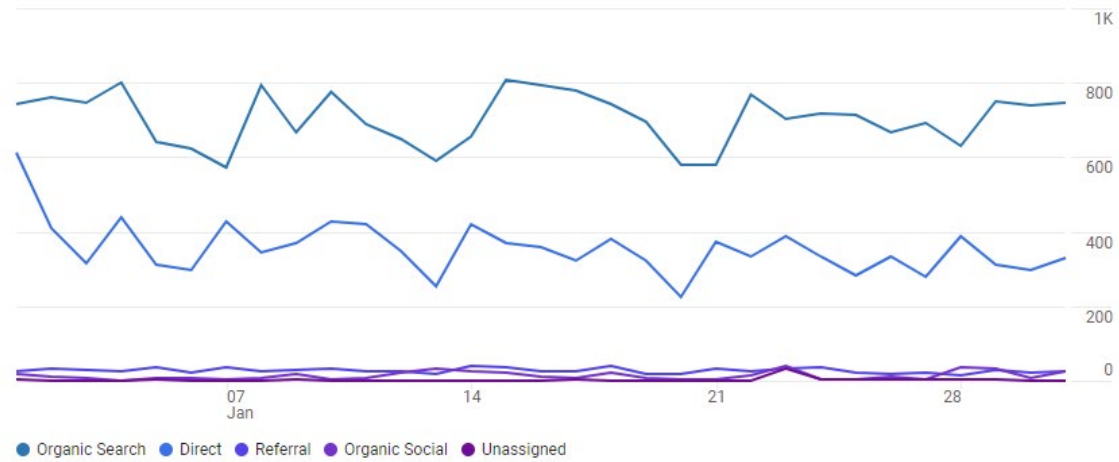
Overall check-ins for January were up compared to 2023, with approximately 5,000 more visits. Bell is still the center with the most check-ins followed by Sundial, Fairway, Marinette, Lakeview, Mountain View, and Oakmont.



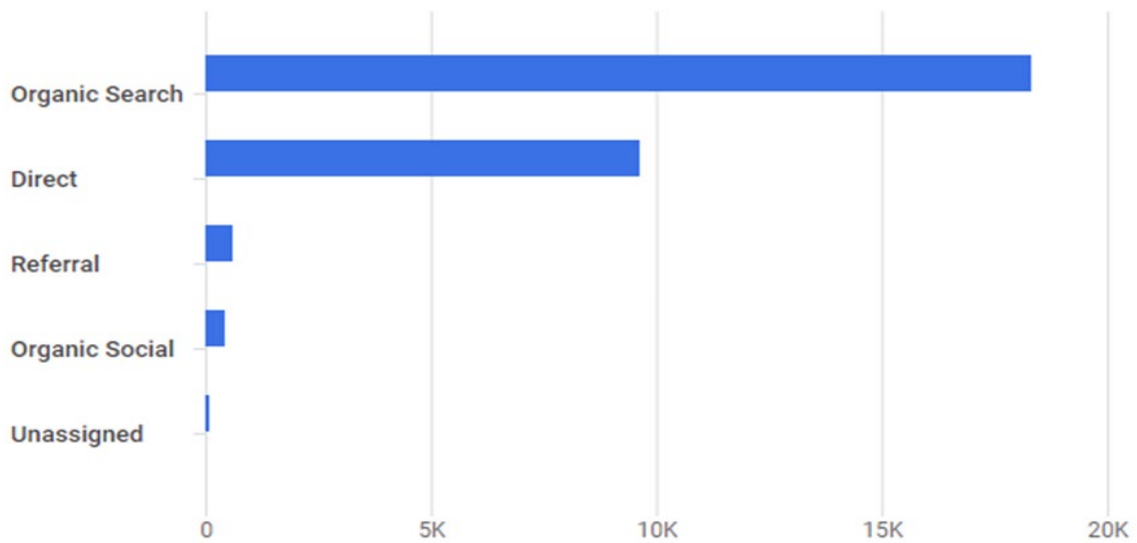
Website Analytics:

January saw an increase in visits to the website from 27,922 to 29,000 (an increase of 1,078) 26,000 were considered new visitors. Of those, as seen in the graphic below, organic searches that did not directly use our name) were the largest referral source to the page. Efforts continue to claim the Google Business pages that feature RCSC facilities to align and ensure accuracy and increase visibility to members and cardholders.

Users by Session primary channel group (Default Channel Group) over time



Users by Session primary channel group (Default Channel Group)



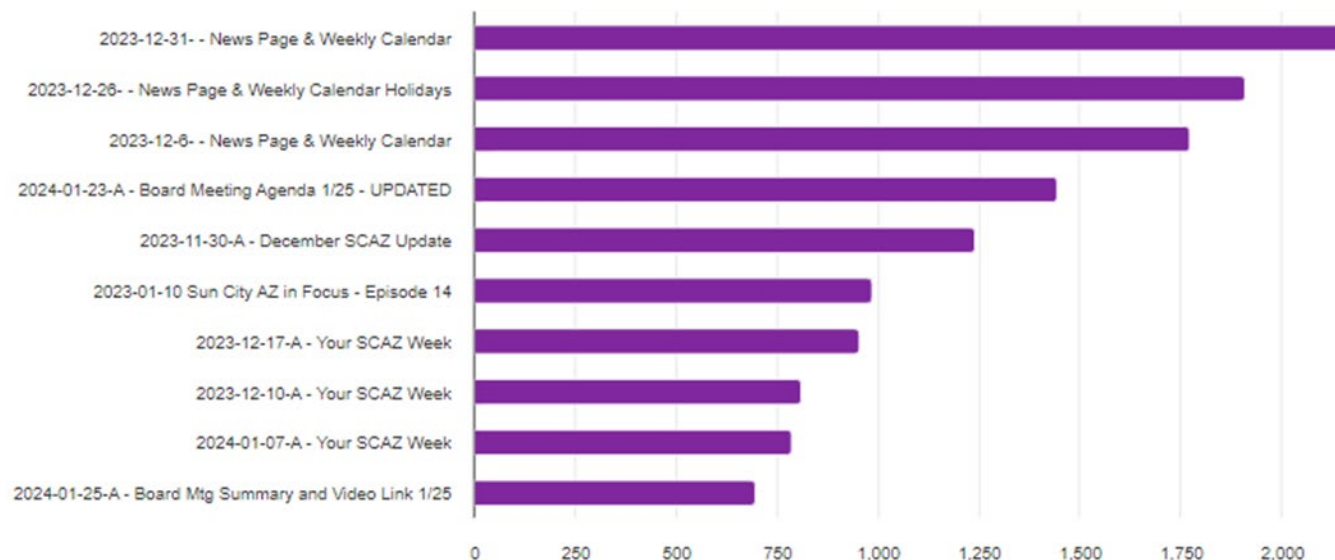
Top pages for visits:

Home Page	18,837
News page/Info Center	3,157
Golf Courses & Pro Shops	5,094
Green Fees & Annual Passes	3,208
Rec Centers Landing Page	4,112
Clubs	2,620

Email/Eblast Campaigns

Work ensues to review best practices for informing RCSC Members & Cardholders using email campaigns. This demonstrates the email/eblasts with the most clicks (with links to more information or sending to our website).

Clicked



Sun City Update – January Edition

Staff and volunteers played a large role in preparing and delivering the nearly 28,000 January newspaper, Sun City Updates, with the generous help of the Sundial Men's Club, the Sun City Poms, Sun City Welcome Center, RCSC staff, Board Members, and other volunteers. The effort brought to light a community spirit and talent that can be utilized in the future. The edition included a wide variety of department and community updates, contact information, and was a positive gesture to the entire community. The Sun City Update will be available at recreation centers for everyone to be able to keep up to date on all things happening.

Welcome Center:

The Center welcomed 849 guests in January and hosted two Sun City Welcome Experience (tours around Bell Center with welcome packets). The majority of guests were new or current residents, with many having moved here prior to 2020 and are now getting out and more active, with others having lived here more than a decade and investigating new activities. The team is reviewing current surveys to update information collected and will be reported in future updates.

The Welcome Center is the only location run largely by knowledgeable volunteers and with a vast amount of detailed information to connect members and cardholders to specific classes, activities, and events from among the huge variety of options available in the RCSC.

The facility is uniquely able to share detailed information about individual clubs, events, and activities.

In January, the greatest interest among guests was learning about clubs, and 135 exclusively came to select information from the club's brochure wall. Among prospective buyers surveyed, the top interests (all tying at No. 1) were arts & crafts, cooking, golf, sewing & quilts, and swimming.

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 13: 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 24: 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 35: 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