

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

April 25, 2024

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

PRESENT: Kat Fimmel, President (via phone); Karen McAdam, Vice President; Connie Jo Richtmyre, Acting Secretary and Directors Tom Foster, Jim Rough, Steve Collins, Preston Kise, Chris Nettesheim

ALSO PRESENT: Matthew D'Luzansky, General Manager; Chris Linam, Golf Shop Manager; Kevin McCurdy, Support/Finance Sr. Leader; Mike Wiprud, Facilities Sr. Leader; Mike Dirmyer, Non-Golf Sr. Leader; Debbie Giles, Assistant to GM; Marcia Johnson, Board Coordinator; Joelyn Higgins, Communication Coordinator; Allen Kleinhans, Doreen Rafferty Audio/Video Engineers; 68 RCSC Cardholders and 1 member(s) of the press

ABSENT: Anita Borski, Treasurer; Brian Duthu, Golf Sr. Leader

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

Board Quorum: Acting Secretary Richtmyre verified that a Board quorum was present.

Approval of Agenda: The Agenda was approved as presented.

Approval of Minutes: With no questions noted, the Minutes of the March 28, 2024 Board Meeting were approved as presented.

Treasurers Report: Director Kise read the Treasurers Report in Treasurer Borski's absence, and the Treasurers Report was filed for audit.

Management Report: With no questions noted, the Management Report was accepted as presented.

Committee Reports:

Bowling Committee Member Mike Williams reported that the bowling committee works closely with the RCSC Management to enhance the bowling experience in Sun City for RCSC Members. The committee has assisted in enhancing communication within the bowling centers to increase participation in newly developed league and tournament programs. There are monthly tournaments, league bowling for all levels of experience, and free coaching opportunities that give RCSC Members plenty of opportunity to enjoy getting out of the heat this summer and go bowling.

Director Steve Collins, Chair of the Club Organization Committee (COC), reported that with summer approaching, many members leave for the summer. If you have any interest, we are always looking for volunteers for the committee. There have been many issues within clubs since COVID, I ask that the clubs try to resolve the issues within the club.

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

President Comments:

Vice President McAdam reported, I do have a couple of things to address under this agenda item (President comments).

First I want to reiterate here, publicly, that RCSC and the MCLD are actively engaged in the process of crafting a new five-year lease agreement for both of our libraries. We expect the new lease to be signed by both parties prior to the expiration of the current lease and are confident that Sun City residents will have access to the best possible library services for years to come.

Second, I want to let you know that a new and unexpected opportunity has arisen for RCSC regarding a vacant property in the heart of Sun City.

The property used to house an acute care hospital/rehabilitation center at the corner of Thunderbird and 111th Ave. It's a 4.6-acre parcel of land with about 50,000 square feet of building space under roof and was put up for auction last week. RCSC did not participate in the auction proceedings. The reserve-the minimum amount the seller was willing to accept-was not met, so at this point the property remains unsold. The owner's agent has since approached RCSC to see if there might be interest in purchasing the property.

We think it is advisable to at least consider possible options, which of course will involve quite a lot of community input. Let me assure you that no decisions have been made other than to begin the discussion. Pros and cons definitely exist, many of which will only come to light as the discovery process unfolds.

While this of course is not on today's agenda, we anticipate that some of you at least would like to be able to ask questions or make comments. As a result, after today's meeting is adjourned, we invite you to stay for a brief introduction to the property. We'll do our best to answer any questions that come up based on the very limited information we have at this point in time.

Announcements: None

Committee Recommendations:

1. ***Vice President McAdam*** – On behalf of the Elections Committee, I move to amend Bylaws Article VII titled Nomination and Appointment Procedures, Sections 2 & 3 as follows: The motion passed its first reading unanimously.

ARTICLE VII - NOMINATION AND APPOINTMENT PROCEDURES

SECTION 2: RECRUITMENT OF CANDIDATES

On or before the first Monday in June, **Board Candidate Packets will be available.** ~~Members shall be invited to become candidates.~~ In the event additional candidates are needed, the Election Committee shall begin recruiting to provide the required number.

If a member of the Election Committee desires to become a Board candidate, he/she must resign from the Committee prior to doing so.

SECTION 3: PETITION AND APPLICATION OF CANDIDATES

A Member who is eligible to become a candidate for election to the Board shall provide to the Chair of the Elections Committee on the ~~first Friday in October~~ **scheduled date in the candidate packet**, the following:

2. **Director Kise** – On behalf of the Golf Advisory Committee, I move to amend Board Policy #17 titled Golf, Section titled Green Committee, paragraph 4 as follows: The motion passed its first reading unanimously.

Green Committee

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

New Business:

1. **Director Rough** – I move to amend Board Policy #24 titled Preservation & Improvement Fee/Capital Improvement Fee as follows:
 - Modify language around death of a single owner who was married at the time of the purchase of a property to not require a new PIF Fee or CIF Fee on the transfer of property to a spouse as sole owner. See Section 1 Paragraph A number 7, and Section 2 Paragraph A number 7 for language.
 - Modify language requiring ownership for one year of a property that is sold, and subsequent Sun City property is purchased within a year of that sale. This would stop flippers from getting refund of Pif Fee and Cif Fee on new property not owned for a year. See Section 1 Paragraph C number 1, and Section 2 Paragraph C number 1 for language
 - Adds detail to allow use of PIF Capital and CIF Capital. See Section 1 Paragraph D number 4, and Section 2 paragraph D number 4.

SECTION 1: PRESERVATION & IMPROVEMENT FEE

A Preservation and Improvement **Fee** ~~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, unless legally married to owner at time of purchase. Marriage certificate may be required, or marriage status proven by disclaimer deed recorded with Maricopa County.

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 owned for one or more years and 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~~ **is** 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; and
 4. **are not to be spent for normal operating or maintenance expenses.**
- 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, **unless legally married to owner at time of purchase. Marriage certificate may be required or marriage status may be proven by disclaimer deed recorded with Maricopa County.**

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 **owned for one or more years and** 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 **equal to or more than Five Thousand Dollars (\$5,000);** ~~less than Three Hundred Thousand Dollars (\$300,000).~~
3. **not fit the criteria to qualify as a PIF project.**
4. **are not to be spent for normal operating or maintenance expenses.**

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 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 all other charges are paid in full. There are no other refunds of Transfer Fees available.

SECTION 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 **Fee, CIF Fee** 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 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 all ~~their~~ Cardholder Privileges are suspended until all of the Owner's account(s) ~~is/are~~ current.

Owners are responsible for providing **and maintaining** 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 **reserves the right to** ~~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.

The motion was seconded by Secretary Richtmyre and after the vote, the motion passed its first reading unanimously.

Next Meeting: Vice President McAdam reported that the next meeting will be the Exchange Meeting on May 13, 2024 at 9:00am in the Sundial Auditorium. The next meeting of the Board of Directors will be on May 30, 2024, at 9:00am in the Sundial Auditorium. The next Annual Meeting will be March 11, 2025, at 6:00pm in the Sundial Auditorium.

Adjournment: Vice President McAdam stated that with no further business, the meeting will be adjourned. The meeting was adjourned at 10:07am.

Respectfully submitted,

Connie Jo Richtmyre, Secretary