

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

June 27, 2024

At the Board meeting called to order by President Fimmel at 9:00am on June 27, 2024 at Sundial Auditorium, the following took place:

PRESENT: Kat Fimmel, President; Connie Jo Richtmyre, Secretary (remotely); Anita Borski, Treasurer and Directors Preston Kise, Jim Rough, Chris Nettesheim, Tom Foster, Steve Collins (remotely)

ALSO PRESENT: Matthew D'Luzansky, General Manager; Kevin McCurdy, Support/Finance Sr. Leader; Mike Dirmyer, Non-Golf Sr. Leader; Debbie Giles, Assistant to GM; Marcia Johnson, Board Coordinator; Allen Kleinhans, Doreen Rafferty, Miguel Jackson & Carla Young Audio/Video Engineers; 26 RCSC Cardholders and 1 member(s) of the press

ABSENT: Karen McAdam, Vice President; Brian Duthu, Director of Golf; Mike Wiprud, Facilities Sr. Leader

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

Board Quorum: Treasurer Borski 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 May 30, 2024 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 in the Management Report, the report was accepted as presented.

Committee/Liaison Reports: Director Kise gave an update on the Mountain View Project:

When the RCSC Board presented you with the Mountain View project elements in February, we said that we would keep you informed of the project progress. Today, we are providing information on why we selected TriArc Architecture and Design as the design team and have started to move forward with them on this project.

TriArc is based in Phoenix, has been in business for 17 years, and is a minority owned firm. Their prior projects include the RH Johnson Recreation Center in Sun City West, the Herberger Theater renovation, and the Goodyear Recreation Campus. Their proposal provided 4 possible renovation concepts that included renovating the existing auditorium into a Performing Arts Center (PAC), building a new PAC at Mountain View, or building an off-site PAC. They were hypothetical only to show us some possibilities.

Their proposal was the most thorough and included extensive information on all their consultants. They also provided significant specialized services that other proposals didn't as part of their costs like a geotechnical engineering consultant, an aquatic design consultant, and a security consultant. We were very impressed with their creativity, flexibility, and out-of-the-box thinking.

They also paid close attention to the elements' details. Paying attention to detail and listening to what Sun City needs for this project are essential skills to get the renovated rec center that you deserve and have been waiting so long for. We are very excited to be partners with TriArc on this long overdue project.

We will continue to keep you informed as the renovation progresses but please keep in mind that the design and construction of a project of this magnitude is going to take a long time to complete.

Recreation Center update Report-General Manager D'Luzansky:

Thank you for being here, and a big Howdy Folks to all of those who will watch this on the internet, or via our website, or perhaps even on a podcast. Is it hot enough for you yet? Hopefully, we won't be seeing the mid-120's this summer, like we had last year.

Here are a few items that you may find of interest:

1. Mike Wiprud, our Facilities Senior Leader, and I met with the leadership team at TriArc at their office in Phoenix last week. We discussed the first step, the Pre-Design and Condition Assessment, for the Mountain View project. We should have a contract for that portion of the work in place next month and are all excited to get this rolling.
2. The Deadwood Initiative is wrapping up with just a couple centers left to go, most of the golf courses are done. There is a noticeable difference to our landscape, with dead trees and cacti gone, and all the palms cleaned from the ground up. This work was long overdue, deferred maintenance it could be called, some of the dead trees have been dead for over five years. This also dramatically cuts down on clean up after windstorms and monsoons. Thanks to all the coordination efforts to get this done before the monsoons really get rolling, we hope. Bring on the rain.
3. We are moving forward with IPE - Integrated Process Excellence. This will revolutionize the RCSC. I am not kidding, this is a customer focused – success-oriented approach to delivering customer satisfaction with a new approach to quality management, which is simple and intuitive, rather than the stale historic ISO 9000 methodology. We will be posting a link to a basic IPE explanation video on our website. Presentations will begin next month to leaders and managers and continue throughout the summer. The goal will be to refine several short presentations of documented processes for the board to see some IPE results in September.

4. The hot months are also big project months, with repaving and sealing of parking lots, and indoor work like the under-stage improvements at the Sundial Auditorium, since the summer historically has been some of the lightest usage times.

Also, Sundial pools and spas are down for three weeks to change out all the water, deep clean the pools and clean the windows and ducts. It has been years since this work was last done.

We just selected a contractor and approved the project to get Fairway pools and deck work going as soon as possible. Once we firm up the schedule we will be communicating the closure dates.

5. So now that we have reworked the organizational structure, completed the first ever draft of the five-year budget and ten-year PIF forecast, and started our process development and documentation with IPE, we are kicking off several new safety initiatives in the second half of 2024.

Stephanie Haholy and her team are launching the RCSC Safety Committee next month. This is another exciting and important development that will include the rollout of two safety programs, Safety Plus which is focused on training, tracking, and testing based on the needs of specific jobs, and STOP for Safety, which is focused on awareness, behavior modification, and shifting the culture to make safety a top priority. STOP is short for Safety Training Observation Program.

Safety is a fundamental element of any endeavor, we must be focused on keeping our members, staff, community, and assets safe. As they say, safety is no accident, it takes intentionality and action, but it is well worth it.

Thanks to Stephanie, her team, and all those on the safety committee.

6. I want to mention the ongoing discussions with the Maricopa County Library District (MCLD) about the Library lease. The RCSC has met twice in person with the MCLD, and we have made good progress. RCSC has provided the MCLD with a draft lease document, and we are waiting for MCLD to provide revised language on a couple of items in the lease.

In addition, MCLD has several items they thought the Friends of the Sun City Libraries may be able to help with financially. My understanding is that MCLD met with the Friends earlier this month, but no resolution has been reached. This will be monitored closely; I will keep you posted.

7. Finally, I want to say thanks to two valuable members of our team that are leaving us this month. Without their help over the past few years, we would not be in a position to accelerate many of the changes that are already taking place. Randy Bird our IT manager who has created a new heart and backbone for our system. And Angie Bird who has hired and trained many of our staff and was instrumental in the transition to Center Based Leadership.

Thank you both for your drive and enthusiasm to make RCSC a better place. You will be missed, and good luck with your continuing journey, and future plans.

President Comments: None

Announcements: None

Committee Recommendations: None

Unfinished Business:

1. **Director Rough** – I move to amend Board Policy #21 titled Membership Documentation Requirements; Letter C titled Occupancy as follows:

Prior to the vote and after discussion, Director Rough moved to postpone this motion to allow for further discussion. Seconded by Director Kise, the motion to postpone passed unanimously.

- C. Occupancy: Each individual qualified by ownership and age, must also qualify as occupying the Property as their primary Arizona residence, by providing one of the following:

1. a valid Arizona driver's license having the same address as the Property for which a Member Card is sought, and property listed with Maricopa County as primary residence, not rental or other status; or
- ~~2. a valid Arizona driver's license having an address farther than seventy-five (75) miles from Sun City, Arizona; or~~
3. a valid out-of-state or out-of-country driver's license; or
4. if no valid driver's license is available, any government issued identification with the individual's name and address of the Property for which a Member Card is sought. An additional form of identification with a photo is required when the government issued identification does not contain a photo.
5. Owners who misrepresent themselves as an occupant of a Property shall be subject to suspension of Member Privileges. This suspension automatically extends to all Owner(s) of said Property, as well as any occupants of any other Properties owned by such Owner(s) including denial of use of any and all RCSC Facilities and any issued Privilege Cards, as determined by the Board.

2. **Director Rough** – I move to amend Board Policy #3 titled Corporate Records; Section A number 8 as follows:

Prior to the vote and after discussion, Director Rough moved to postpone this motion to allow for further discussion. Seconded by Director Nettesheim, the motion to postpone passed unanimously.

CORPORATE RECORDS

8. After completing review of documents, Members may request to have copies of a particular document, which may or may not be granted by the Board. There may be a

charge for copies and such other additional charges as permitted by law. **If approved, members may take photos of documents.**

Motions Second Reading:

1. **Insurance Committee – Director Foster** - I move, based on the Insurance Committee’s and RCSC’s Insurance Broker’s recommendations, to approve the 2024-2025 insurance renewal proposal for the Recreation Centers of Sun City, Inc. The renewal proposal includes the same insurance coverages, carriers, and terms/conditions per RCSC’s expiring coverage, with the exception of the Excess Liability coverage. \$30 million in Excess Liability coverage was provided in 2023-2024 by Philadelphia Insurance (\$10 million) and Federal Insurance (\$20 million). In 2024-2025 this same \$30 million of coverage will be split among Philadelphia Insurance (\$5 million), Sompco (\$5 million), Chubb (\$10 million), and Great American Insurance (\$10 million). The overall premium increase for all coverage during 2024-2025 will be \$303,148 or 26.6%. Flood coverage is currently being quoted by RCSC’s Insurance Broker, and RCSC will bind this coverage by the end of June, 2024. After discussion, the vote was taken, and the motion passed its second reading unanimously.

2. **Insurance Committee – Director Foster** - I move based on the Insurance Committee’s and RCSC’s Insurance Broker’s recommendation, that RCSC decline Terrorism Risk Insurance. The terrorism related coverage is optional for commercial property and casualty coverages except Workers Compensation. The Terrorism Risk Insurance Act (TRIA) was initially created by the federal government after the 9/11/2001 attack on American soil. The act allows the federal government to share monetary losses with insurers on commercial property and casualty losses due to a terrorist attack. For TRIA coverage to apply, a terrorist event would have to be declared by the Secretary of State which has not happened in the United States since this Act was passed by Congress in 2002. RCSC has rejected TRIA on applicable coverages during the past several years. After discussion, the vote was taken, and the motion passed its second reading unanimously.

3. **Director Kise** – I move to approve \$6.0 million for the Quail Run Golf Course renovation project. The scope of work includes money previously approved for project development, green renovation to USGA guidelines, complete irrigation replacement to include a new pump station, conversion of tees and fairways to Tif Tuf Bermuda grass, renovation of the golf course lake to provide lining and increased water storage, consultant construction oversight and a contingency. Additionally, the Quail Run audio system and patio will receive upgrades that are on the Golf Advisory Committee project priority list. The vote was taken, and the motion passed its second reading unanimously.

DESCRIPTION	VENDOR	COST
Project Cost to Date	GBGD/MMD/Survey/Civil	\$129,600.00
Golf Course Renovation	Landscapes Unlimited	\$4,449,159.00
Golf Course Pump Station	Watertronics	\$210,159.00
Fertigation System	Fertizona	\$14,798.00
Golf Course Lake Renovation	Pacific Aquascapes	\$412,412.00

Consultant Construction Oversight Services	GBGD/MMD	\$111,000.00
Grow-in/Course Furnishings/Start-Up	RCSC	\$50,000.00
Upgrade clubhouse audio and patio	RCSC	\$100,000.00
Contingency	RCSC	\$547,712.00
TOTAL		\$6,024,840.00

New Business:

1. **Treasurer Borski** – I move to approve \$4,000 to be paid to the Sun City Posse for their continued support with event parking and other services in 2025. Seconded by Director Kise, the motion passed its first reading unanimously.
2. **Director Kise** – I move to amend Board Policy 16 to incorporate a new process to request, review, and approve PIF projects and use of the CIF Fund to fund annual Capital Expenditures. It will also formalize use of the Reserve Study, Five-Year Planning Team, Five-Year Budget, and Ten-Year PIF Project Forecast. Seconded by Director Foster, the motion passed its first reading unanimously.

Next Meeting: President Fimmel reported that the next meeting will be the Exchange Meeting on September 9, 2024 at 1:00pm in the Sundial Auditorium. The next meeting of the Board of Directors will be on September 26, 2024, at 9:00am in the Sundial Auditorium. The next Annual Meeting is March 11, 2025 at 6:00pm in the Sundial Auditorium.

Adjournment: President Fimmel stated that with no further business, the meeting will be adjourned. The meeting was adjourned at 9:56am.

Respectfully submitted,

Connie Jo Richtmyre, Secretary