

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

**June 26, 2025**

At the Board meeting called to order by President Foster at 9:00am on June 26, 2025 at Sundial Auditorium, the following took place:

**PRESENT:** Tom Foster, President; Chris Nettesheim, Vice President; Preston Kise, Secretary; Anita Borski, Treasurer and Directors Jim Rough, John Bressett, Rick Gray, Steve Collins (remotely)

**ALSO PRESENT:** Mike Dirmyer, Director of Operations; Kevin McCurdy, Director of Finance; Eddy Renio, Director of Golf; Mike Wiprud, Director of Facilities; Marcia Johnson, Board Coordinator; Allen Kleinhans, Miguel Jackson & Carla Young Audio/Video Engineers; 106 RCSC Cardholders and 0 member(s) of the press

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

President Foster introduced RCSC Management and the newly hired Director of Golf, Eddy Renio. Mr. Renio briefly reviewed his background and experience.

**Board Quorum:** Secretary Kise verified that a Board quorum was present.

**Installation of 2025 Appointed Board Director:** President Foster installed appointed director Jana Mapes to complete the vacant term on the board for 2025.

**Approval of Agenda:** The Agenda was approved as presented.

**Approval of Minutes:** With no questions noted, the Minutes of the May 29, 2025 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:**

Vice President Nettesheim announced that the CommTech Committee will not meet until the middle of July as that is when the Committee will be testing the new website. The Committee's plan is to make sure that everything is working, there are no issues and

the website is ready to use by the end of August

Vice President Nettesheim, Liaison for The Friends of the Library, I also wanted to remind the members that the library bookstore has summer hours now so check first before going to confirm they are open.

One last item was, based on feedback from multiple committees and members, The Board has joined Board Source. It is one of the premier engagement platforms for non-profit and profit boards. Have multiple options to improve the education and knowledge of new and further board members.

Director Rough read the statement listed below, regarding the motion he is making later in the meeting:

I became the Chair of the Long Range Planning Committee (LRP) in January 2025. I found lots of bad feelings and distrust between some committee members, the Chairs and Co-Chairs, and management that resulted in many issues with providing good Business Case Forms for review. I finally in late May and June inserted myself into the process and met with golf management to improve the information on the North Golf Course Business Case Form. The result was greatly improved information for decision-making.

I also met with the Board President, my Co-Chair and the Acting General Manager (GM) to discuss how to provide a path forward for the committee to review and make a recommendation for the project. We all agreed that, since we have a new Director of Golf, he would be charged with reviewing the plan for the North Golf Course with special attention to how many bunkers really need to be redone and if other architects should be consulted. When his review is complete and an architect is selected, the Golf Architect can draft the plans for the North Golf Course project.

When we receive project plans, I will ask the Director of Golf to meet with a few members of the LRP to review the plans and the scope of the project. This will allow LRP members to understand the entire project including costs. After that, the Director of Golf will submit a revised Business Case Form for LRP's review and recommendation.

We must have a more collaborative process going forward on Preservation and Improvement (PIF) projects. There needs to be more conversation and consultation between the submitter and LRP members to ensure the Board has the information they need to make an informed decision that is best for the RCSC.

After the June 17<sup>th</sup> LRP meeting, we had four motions made and passed. Unfortunately, I didn't get the motions to the Board Coordinator before the Board meeting agenda went to the GM on June 18<sup>th</sup> for approval. The Bylaws requirement of 7-days prior notice is to allow members time to read the meeting motions. After consultation with our President and acting GM, we agreed to modify the agenda as the final document could still be posted in time. I only had the wording for the North Golf Course motion and the revised agenda with that motion is on the RCSC website. There are three other motions I planned to address in future meetings. The meeting summary includes:

- A motion was made and the majority vote taken that any golf improvement projects should be limited to meeting the Arizona Department of Water Resources (ADWR) water reduction mandates.
- A recommendation was discussed and voted on to raise the PIF threshold qualification to \$900,000. It was identified that inflation after COVID has increased costs considerably. It was agreed that the intent of PIF funds is for major property improvement projects. A vote was taken with a majority “yes” vote. There was one “no” vote to recommend the increase.
- The LRP Committee recommends that the Board recognize that all Standing (volunteer) Committees provide important input reflecting the interests, desires and goals of the RCSC membership at large. This input enhances and complements Board decisions.

The board can protect these contributions by putting a statement in the Bylaws which clearly states their intent to not initiate, nor allow, the elimination nor restriction of any Standing Committee which restricts their effectiveness.

The committee recommends that the current Board take positive, effective actions to improve the continued existence and continuation of all Standing Committees.

There was further discussion on this motion that it may be suitable to forward this on to the team that is reviewing the Bylaws.

Two of the motions include potential changes to the Bylaws and Board Policies. As such they will be forwarded to the Chair of the Bylaws Working Group for review.

I will make a motion at the September Board Meeting to address the golf ADWR motion from the LRP.

Some LRP members were upset when the North Golf Course approval went forth including the bunker work. They had voted for the North Golf Course architect based on the ADWR work only. They argue that had they understood they would not have passed the motion for the North Golf Course. However, the motion only covers design work. The final LRP business case recommendation can include the entire project, or it can recommend that the bunker redesign part of the project not be approved.

Some LRP members wanted to have a special committee meeting before the Board meeting to revote the North Golf Course approval considering the ADWR motion. Based on Board practice, the meeting must be called and publicly announced at least 72 hours prior to the meeting.

That would have happened on June 23rd and would make the meeting on Thursday after the Board meeting. Some LRP Committee members also called for a committee meeting on Wednesday June 25th per Robert's Rules of Order. I notified them of the Board's committee meeting process requirements and that the Board would not recognize that meeting as being proper.

I plan to make the motion as written and propose a change to the motion to state that the LRP committee intended to recommend only the ADWR portion of the Business Case Form. The Board can then determine how we go forward on the motion. I believe the best course is to address the architect fees and allow the Director of Golf to review and submit a Business Case Form for the project once we have documents and bids.

I am hoping the explanations and process outlined in this report will allow all concerned to move forward and work in a more collegial manner.

Director Bressett, Chair of the Properties Committee informed the members that the committee is in need of inspectors for the Mt. View Recreation Center, Willowcreek golf course, Sunbowl and the Softball park.. If anyone has an interest please reach out to the Corporate Office for information.

Secretary Kise, Liaison for the SC Fire Department attended their monthly meeting and at the meeting they announced that the vacant Coco's restaurant is going to be renovated, and a Mexican restaurant will be opening there.

Treasurer Borski, Liaison for Sun City Community Assistance Network (SCCAN), announced they will not be meeting thru the summer but will have reduced hours so check prior to going to confirm someone is in the office.

Treasurer Borski, President of the Sun City Foundation also informed the members that they will not meeting in July or August but are still available for interviews and if you need assistance you can reach out to the Corporate office.

**President Comments:** President Foster updated the members on the following topics:

- Our vacant Board Director position has been filled.
- The Director of Golf position has been filled.
- We have hired a Human Resources (HR) Supervisor who will start July 7.
- We are currently interviewing Recruiting Companies for the GM position.
- Master Plan RFP was issued on June 19 . There were 4 firms, and they have a couple weeks to respond.
- Voting software- the current software that we have used is no longer supported by TEG, so we are searching for different software. Have sent 5 companies an RFP and are waiting for their response.

- The Bylaws Working Group informed me that they have met 260 hours so far. There are 13 different Articles in the Bylaws, and the group has worked thru 6 of them.
- Finance 101- Director of Finance, Kevin McCurdy, has been volunteered to put a video together to explain the financials to the members. After that we will have a series of Q & A sessions with 8-12 people at each session.
- 2026 Budget Town Halls have been scheduled for October 20 and 22 here at Sundial.
- Mt View- Vice President Nettesheim will do a video for posting.
- Election Packets are currently available, see Board Coordinator Johnson at the Corporate office if you would like to get on.
- Don't forget that if you intend to speak to one of the motions on today's agenda, we continue to limit speaker comments to 3 minutes.

### **Motion Second Reading:**

1. ***Insurance Committee – Vice President Nettesheim*** – I move, based on the Insurance Committee and the RCSC Insurance Broker's recommendations, to approve the 2025-2026 insurance renewal proposal for the Recreation Centers of Sun City, Inc. The insurance renewal proposal includes the same insurance coverage, terms & conditions and most of the same carriers per RCSC's expiring coverage. The overall premium increase for all coverage during 2025-2026 period will be \$301,007 or 20%.

Vice President Nettesheim spoke on her motion prior to the vote:

Our Insurance Broker requested quotes from eleven (11) carriers in addition to our existing carrier for our General Liability 2025-2026 coverage. General Liability is our largest risk exposure. However, our broker informed us that none of the eleven additional carriers responded with a bid to accept the RCSC risk profile. The reasons given for not even bidding on the RCSC business were (1) the exposure the RCSC has due to the business it is in; (2) the loss experience that the RCSC has had; and (3) that the additional carriers could not offer a better price than the existing carriers.

Our insurance headwinds also include that our property values increased by 15% (third party appraisal – Marshall & Swift) requiring higher levels of coverage and our somewhat higher loss experience history. In particular, the RCSC's experience modification rating (EMOD) reflects higher than average worker's compensation claims (a EMOD of 1.0 is average; our EMOD is 2.0) suggesting higher than average losses resulting in higher worker's compensation premiums. Finally, while it is not unusual for lawsuits to be filed against the RCSC, the Board of Directors was sued earlier this year. While that lawsuit was eventually withdrawn the RCSC had to replace insurance coverage for its Directors and Officers as one of the carriers previously used has refused to renew their coverage – an apparent consequence of that lawsuit being filed.

All of the insurance companies providing coverage to the RCSC carry financial strength ratings from A to A++. These financial ratings are generally considered in the insurance industry to be excellent to superior. Our overall quote for premiums for the period June 30, 2025 to June 30, 2026 is \$1,795,204. This premium will provide insurance coverage for the RCSC's property, liability, auto, Directors and Officers liability, workman's compensation and several other smaller risks.

Therefore:

- after exploring alternative options with insurance carriers doing business in Arizona;
- after considering the level of deductibles on our policies; and
- after considering the level of coverage the Insurance Committee felt was appropriate;

The Committee recommends the proposed level of coverage, the proposed carriers and the proposed premiums as the RCSC's most prudent option.

After further discussion, the vote was taken, and the motion passed its second reading 8 to 1 with Director Mapes abstained.

#### **Motion First Reading:**

1. ***Long Range Planning Committee – Director Rough*** – I move, based on the Long Range Planning Committee recommendation, to approve the North Course design funding not to exceed \$100,000. After comments from the Members and discussion from the Board, the vote was taken, and the motion passed its first reading unanimously.

Director Gray made a motion to waive the second reading. The motion was seconded by Director Bressett and after the vote, the motion to waive passed 8 to 1 with Secretary Kise opposed.

**Next Meeting:** President Foster reported that the next Exchange Meeting is on September 8, 2025 at 9:00am in the Sundial Auditorium. The next meeting of the Board of Directors will be on September 25, 2025, at 9:00am in the Sundial Auditorium and the next Annual Meeting will be March 10, 2026 at 6:00pm in the Sundial Auditorium.

**Adjournment:** President Foster stated that with no further business, this meeting is adjourned at 11:45am.

Respectfully submitted,

Preston Kise, Secretary