

**FRONT PAGE**

# RCSC halts PIF projects

## Ek: Caution due to pending litigation



**Jan Ek**

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Independent Newspapers

New projects funded by the Recreation Centers of Sun City's Preservation and Improvement Fund came to a screeching halt last week.

The RCSC Board of Directors voted unanimously in a special meeting Jan. 23 to halt all new PIF-funded projects due to pending litigation. While it was not named directly, most likely the pending litigation is the lawsuit brought against RCSC by the **Sun City Formula Registry**, which is represented by 39 individual plaintiffs.

Jan Ek, RCSC general manager, announced the board's decision as part of her management report during the Jan. 26 regular meeting. "Litigation is pending against the Recreation Centers of Sun City, Inc. ("RCSC") concerning the organization's authority to assess the Preservation and Improvement Fee ("PIF") used to fund major structural improvements and restorations to the recreational facilities in the community," she stated. "While RCSC believes the challenge is without merit, RCSC has a responsibility to proceed with caution until the issue is resolved. In view of this, by unanimous vote of the Board of Directors, RCSC has suspended new PIF contracting until further notice. This means the Willowcreek/Willowbrook golf course project and the South pro shop/golf cart storage project scheduled for 2017

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will be postponed."

RCSC officials offered no further details, except that one project, the \$1.6 million South Golf Course pro shop and golf car storage replacement, had only begun planning work at this time. Other PIF projects planned for 2017 were projects at Willowcreek and Willowbrook golf courses. Turf reductions at Willowcreek were projected to cost \$825,995 and at Willowbrook \$564,175. A larger project at both courses would replace the irrigation system and pump stations on both courses, reconstruct irrigation lakes on both courses (less what was completed in 2016), and reconstructing four greens at Willowcreek. That project was estimated to cost \$5.33 million.

RCSC officials in 2016 began constructing a maintenance building on the Willow course just south of Union Hills Drive, a projected \$1.6 million project. RCSC officials did not specify whether that project was postponed or will continue.

**Anne Randall Stewart**, one of the lawsuit plaintiffs and **Formula Registry** coordinator, said an amended complaint was filed last year, which added the maintenance building and RCSC officials' purchase of a building off Grand Avenue to the lawsuit.

"The two sides are now in the process of exchanging documents," **Mrs. Stewart** said of the lawsuit. "There is a status conference scheduled for March 9."

Resident Karen Schuermann quizzed the board about the postponement during its meeting but got few answers.

“It appears something is happening with the lawsuit, what is it?” she asked. “There was a town meeting about South (Jan. 16) and nothing was said.”

Rich Hoffer, RCSC board president, said the decision was made at the Jan. 23 special meeting, which was not announced in advance or open to cardholders.

“It would be total speculation as to when the projects would be unsuspended,” he said.

**Mrs. Stewart** said the court determined the lawsuit to be complex litigation rather than frivolous.

The lawsuit contends, in regards to the PIF projects, RCSC officials must take any expenditures greater than \$750,000 to a vote of cardholders. RCSC officials contend that relates to creating indebtedness and their use of cash from the PIF to fund projects avoids that. **Mrs. Stewart** claims the corporate documents also include any liability above that amount should go to a vote.

The lawsuit also claims RCSC officials are violating the Planned Communities Act. RCSC officials claim they are not governed by the act because RCSC falls until Title 10 of Arizona Revised Statutes.

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