

**ARC MEETING MINUTES – SPECIAL MEETING
February 2, 2015**



Tom Jones, President called the ARC Club special meeting to order at 10:45 A.M. being held in the Shuffleboard Room at RH Johnson Rec Center.

A quorum was established.

President Jones stated the bids on the ARC's building came in over the budget that was voted and approved by the members.

BIDS: Jeri Oman announced that 4 bids had come into the Rec Center, all over budget.

Bids ranged from approximately \$800,000 to over one million dollars. Running Construction has submitted the lowest bid. Jeri interpreted that, per the agreement with the Rec Center, they are responsible for any portion of the project outside of the building which amounts to approximately \$200,000 for the Rec Center. The additional cost for ARC is approximately \$100,000. Please keep in mind this is Jeri's interpretation and has not been approved by Cindy Knowlton and other REC board members. President Jones has met with Larry Griffith and Kay Williams to discuss the approximate \$100,000 additional funds needed to proceed with ARC's new building.

President Jones stated the club needs approximately \$100,000 to start construction.

ARC has an agreement with the Rec Center to pay back the borrowed funds in 5 years. The Rec Center is responsible for taxes, insurance and maintenance of the building. If the club was to buy an existing building or go outside of Sun City West, the cost would be ARC's responsibility. ARC has more financial security with the backing of the Rec Center.

At this point some members voiced questions and concerns:

Jim Struempf asked Suzanne Jones: What was the amount of cash we have already paid to the Rec Center? ARC has already paid \$250,000.

Lee Palmer wanted to know what was really being asked of ARC members at this time. President Jones explained that today the members were being asked to authorize an additional \$100,000 for building construction costs which would be repaid to the Rec Center over 5 years.

President Jones informed the members that only a small percentage of the club members have pledged or donated the monies already collected.

Gary Jones questioned where the money to cover the \$100,000 will come from.

Vice President Herb Clark explained that once we have the building, there will be project cars to build and sell, and President Jones added ARC car shows and the Corvette raffle will help to repay the loan.

Michael Bannon said now is the time for all members to step up and make this happen.

David Eicke asked if there was some way the club could cut costs. He reported that the contractor said the club could paint the inside and outside of the building, do the epoxy floor, metal rails and gates along with other items for an estimated \$45,000 savings.

MOTION: Ron Rada made the motion to increase the construction budget to approximately \$600,000 from the \$500,000 already approved. Lee Palmer second the motion.

Brad Huber stated he had questions before the members could vote. Brad wanted to know why the building costs were so high. He felt the cost was way too high for what was being built. Brad felt there were other options out there and the Board was not communicating with the club about other buildings that are available. Brad asked about the El Mirage abandoned fire station and thought this might be a good alternative. Brad stated he would vote no and wants to wait.

Jeri Oman explained the ARC building is a pre-engineered structure with two restrooms, mechanical room, and open space. The outside of the building will be stucco.

President Jones told the club members that the committee had looked into buying the Shell station and that the price was \$600,000 with two bay doors, and underground gasoline tanks that would need to be removed. The committee had also looked at several other buildings in Surprise and the cost was \$500,000 and more. If we purchased any of these buildings, ARC would be responsible for the cost of insurance, taxes, utilities and maintenance.

President Jones said maybe in the future El Mirage could be put to good use, but the building would not belong to ARC. The City of El Mirage has made it very clear that this building will be a vital part of their community. The El Mirage Fire Station will be a community center, shared by many groups. Jeri Oman said he has only spoken to an El Mirage city representative and costs have not been discussed. Jeri said there has been no discussion with the city in several months and we have never met with city council members to discuss any kind of agreement.

Alex Schragel stated that he felt building outside of Sun City West would diminish the club, and Jim Struempf agreed, saying El Mirage would not be our building and that the Rec Center backs the club here.

A few more members voiced agreement to continue on with plans already in place.

Suzanne Jones called for the question. At this time club members voted on the motion put forth by Ron Rada.

VOTE: Aye votes carried by majority. There were two nay votes and three abstaining votes.

Submitted

Jackie Meyer, Secretary