

RECREATION CENTERS OF SUN CITY INC.
FINANCE, BUDGET & AUDIT COMMITTEE
Meeting Summary – November 16, 2018

Chair Dave Wieland called the meeting to order at 9:00am in the Lakeview Center Board Room.

PRESENT: Chair Dave Wieland, Co-Chair Sue Wilson and Committee Members Les Bethany, David VanderNaalt, Greg Eisert, Warren Clucker, Norm Dickson, and Mike O'Neill and Finance & Budget Committee Auditors Suchindran Chatterjee and Don Henrich

RCSC BOARD: RCSC Board President Jerry DeLano, RCSC Board Vice President Dan Schroeder, RCSC Board Director Rich Hoffer

RCSC STAFF: Jan Ek, RCSC General Manager and Angie Nelson, RCSC Controller

GUESTS: RCSC Board Candidate John Dockham

Approval of Prior Meeting Summary: The Meeting Summary for May 17, 2018 was approved.

Presentation: Chair Wieland turned the meeting over to RCSC Controller Angie Nelson.

Angie provided a third quarter 2018 financial review of income and expenses with comparison to budget. At this time approximately 70% of annual property assessments are on a per property basis, leaving 30% on a per person basis. Third quarter ended with each division, i.e. Building & Infrastructure, Bowling, Golf, Food Service, and Member Services, in a positive variance position from budget.

Angie provided a 2019 Operating and Capital Budget review. The budget uses \$338,904 from the prior year(s) carry forward balance, which allows RCSC not to increase any assessments or fees for 2019. Items of notation for RCSC's proposed 2019 budget are as follows: (a) increase in minimum wage from \$10.50/hour to \$11.00/hour as of January 1, 2019; (b) all golf courses will be open in 2019 significantly increasing wages and other golf operating costs; (c) all snack shops will be primarily open in 2019 increasing wages and other operating costs but likely not income; (d) medical health insurance for full-time employees increased 5%; and, (e) re-hired staff for golf and snack shops created a significant increase in 2019 benefits as primarily budgeted for family coverage as it is currently unknown what coverage will be selected by this staff.

The committee thanked General Manager Jan Ek & Controller Angie Nelson for the great job being done for the Sun City community and unanimously recommended approval of the 2019 budget to the RCSC Board of Directors.

Adjournment: The meeting adjourned at approximately 11am

Next Meeting: May 10, 2019 at 9:00am - Lakeview Board Room

Respectfully submitted,

Chair Dave Wieland, Acting Secretary