

**RECREATION CENTERS OF SUN CITY, INC.  
BUDGET & FINANCE COMMITTEE MEETING SUMMARY**

**November 5, 2021**

At the Budget & Finance Committee meeting called to order by Chair Sheila Rooney at 9:00am on November 5, 2021 at the Lakeview Board Room, the following took place:

**PRESENT:** Chair Sheila Rooney, Co-Chair Gene Westemeier and Committee Members, Denny Nichols, Warren Clucker, Les Bethany, Dave Wieland, Suchindran Chatterjee, Kim Wanek, Don Henrich, Mike Kennedy, Greg Eisert, Norm Dickson

**RCSC BOARD:** President Sue Wilson, Secretary Dale Lehrer

**RCSC STAFF:** RCSC General Manager Bill Cook, RCSC Director of Finance, Kevin McCurdy and RCSC Controller Angie Nelson

**GUESTS:** RCSC Board Candidates Kat Fimmel, Karen McAdam, Allan Lenefsky, Stella Van Ness and Cardholder Patrick Gannon

**Approval of Prior Meeting Summary:** The Meeting Summary for October 13, 2021 was approved as presented.

Chair Rooney turned the meeting over to Director of Finance Kevin McCurdy for presentation of the RCSC Q3 2021 Budget Variance Analysis. The following was presented and discussed:

**Q3 2021 Budget Variance Overview:**

Through September of 2021, RCSC is favorable to budget. Year-to-Date Net Excess before Depreciation for the RCSC totals \$2,597,286 and is \$1,646,412 favorable to the 2021 Budget. All cost centers except for Food Services and Member Services are favorable to budget in 2021.

**Building & Infrastructure:** B&I's year-to-date Net Excess was \$4,394,826 and favorable to budget by \$522,308. B&I's Gross Income was \$233k favorable to budget due primarily to Transfer Fees and Property Assessments \$224k and \$103k favorable to budget, respectively. Total Operating Expenses were \$207k favorable to budget due to Safety Supplies \$98k favorable to budget, and Equipment \$75k favorable to budget.

**Bowling:** Bowling's year-to-date Net Deficit was (\$211,924) and favorable to budget by \$95,349. Bowling Gross Income was \$45k favorable to budget due to League Bowling and Open Bowling being favorable to budget by \$24k and \$29k, respectively. Total Operating Expenses were \$50k favorable to budget due to Part Time labor \$22k favorable to budget, Benefits \$13k favorable, and Utilities \$9k favorable to budget.

**Food & Beverage:** Food & Beverage's Net Deficit was (\$14,343) and unfavorable to budget by \$30,140. Year to date, Food sales and Beverage sales are \$24k and \$11k below budget due to covid restrictions in Q1, Q2. Repair expenses were \$11k unfavorable due to the reclassification of equipment repairs for the cafes into Food & Beverage in September.

**General & Administrative:** G&A's Net Deficit was (\$1,475,652) and favorable to budget by \$243,426. Year to date, Wages and Benefits were \$104k favorable to budget due to Benefits favorable to budget by \$63k and Supervisory Wages \$25k favorable to budget. Operating Expenses were \$128k favorable to budget due to Legal and Audit Fees \$41k and \$16k favorable to budget, respectively, and Employee Incentives \$14k favorable to budget.

**Golf:** Golf was significantly favorable to budget year-to-date. Net excess was \$341,307 and favorable to budget by \$791,255. Golf Income was \$724k favorable to budget primarily due to Public play – Public Greens Fees were \$419k favorable and Cart Rentals were \$171 favorable to budget. Prepaid Greens Fees for Residents and Non-Residents were \$86k and \$65k favorable, respectively. Operating Expenses were \$89k favorable due to Benefits \$72k favorable, Repairs \$60k favorable, and Safety Supplies \$32k favorable to budget, partially offset by Seed and Chemical costs being \$72k and \$35k unfavorable to budget, respectively.

**Member Services:** Year-to-date Net Deficit was (\$436,931 and unfavorable to budget by \$5,789 due to Ticket Sales being \$161 unfavorable, offset by Show Costs of Sales \$57k favorable, and Free Shows and Special Events favorable by \$23k and \$12k, respectively.

**Other Discussions:**

- There was a request for RCSC Management to distribute the WIP schedule as part of the monthly financial package. RCSC management committed to distributing the WIP schedule to the committee each month.
- A committee member requested that the financial statement audit report be distributed to the committee members. RCSC management committed to distributing the most recent report to the committee after the meeting.
- The PIF was discussed, but this discussion was deferred until after the RCSC General Manager presents the long range PIF plan at the November 18th Board meeting.

**Motions:** Norm Dixon made a motion to recommend to the RCSC Board of Directors that an ad hoc committee be created made up of members of the Long-Range Planning Committee, Budget & Finance Committee, and RCSC Management to evaluate RCSC's long term financial position and make recommendations to the RCSC Board of Directors. This motion was passed unanimously.

**Adjournment:** The meeting adjourned at approximately 10:00 am.

Respectfully submitted,  
Norm Dixon, Secretary