

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

February 21, 2024

At the Finance & Budget Committee meeting called to order by Co-Chair Anita Borski at 1:00pm on February 21, 2024 in the Lakeview Board Room, the following took place:

Present: Co-Chair Anita Borski and Committee Members Tom Foster, Dave Wieland, Kim Wanek, Linda McIntyre, Norm Dickson, Gene Westemeier

RCSC Board: President Kat Fimmel

RCSC Staff: Support/Finance Sr. Leader Kevin McCurdy

Guests: Cardholder Ruth Mackay

Review/Amend Prior Meeting Summary: The January 31, 2024 Meeting Summary was accepted as presented.

Discussion:

Dave W.s report to be continued.

Reserve study, report (fixed asset) given by Tom.

Should it be done every year? What is LRP,s role?

How are priorities established?

Scoring is somewhat subjective. LRP and budget committee should work together, possibility of obtaining grants, five-year committee/ annual increases issue, Publicize 5yr plan.

Two income components Capital and PIF, and CIF

Use annual percentages to earmark monies for expenditure items (clubs)

Additional Discussion Items submitted by the Committee Co-Chair:

Discussion with Committee Member Dave Weiland regarding his recommended Capital Improvement Fee (CIF) policy wording. He is not yet ready to lead a full discussion and asked his topic to be moved to March.

Committee Member Tom Foster lead a presentation on what goes into a reserve study. He prefers to call it a Fixed Asset Analysis. Tom believes this should be reviewed as part of the Long-Range Plan as well as part of the annual budget development. He described a method to score capital projects with the highest score getting the priority. The high scoring project is then recommended to the Finance & Budget Committee to be added to the budget plan for the following years.

Tom will be sharing this same presentation with the 5-year Planning Team. The 5-year Planning Team has been split into three working groups: PIF, Operations and Capital . PIF is working on a 7-year plan to include items such as Mountain View, ADWR, Lakeview and Maintenance Buildings. Capital group is working to decide if capital funding should be a percentage of the budget or a flat

amount. Support/Finance Sr. Leader, Kevin McCurdy estimated a need for \$5-6 million per year once the deferred maintenance backlog is caught up.

Committee Member Linda McIntyre reminded the committee that the Long-Range Planning Committee and the Finance & Budget Committees need to create a close relationship.

It was noted that Preservation and Improvement Fund (PIF) projects need to be assigned as placeholders.

ADWR is expected to take at least 2 years to get into que to start.

Grant discussion took place. Kevin McCurdy is now a member of Community Associations Institute (CAI), and many have some grant resources available to study. The discussion included the need to look for a person to research available grants. Is an MBA student from ASU available as an intern to conduct searches? There are multiple grant sources i.e., State, Federal, Private Foundations, etc.

Committee Member Norm Dickson asked about the need to tell our members about an increase in the annual assessment. There were several questions on how an increase should be determined such as COA, a formula driven increase, or the inflation model we are now using. Until the Long-Range Plan, reserve study and budget are working together an increase cannot be determined.

There was a discussion on whether we should create a resolution to guarantee the need to have a balanced budget each year “codified” plan?

Action items for March meeting:

- Dave Weiland with his discussion of CIF and the need to be described as restrictive in the bylaws.
- Committee come back to March meeting after working on identifying need for grant money. Such as performing arts, physical fitness equipment, etc.
- Suchindran Chatterjee (Dr. Chat) will give a presentation on audits.

Adjournment: The meeting was adjourned at 5:20pm.

Next Meeting: Next scheduled meeting is March 20, 2024, at 1:00pm – Lakeview Center Board Room

Respectfully submitted,

Norm Dickson, Secretary