

**RECREATION CENTERS OF SUN CITY, INC.**  
**Finance, Budget & Audit Committee**  
**April 16, 2025**

At the Finance & Budget Committee meeting called to order by Chair Tom Foster at 1:00pm on April 16, 2025, in the Lakeview Board Room, the following took place:

**PRESENT:** Chair Tom Foster, Co-Chair Anita Borski and Committee Members Linda McIntyre, Dave Wieland, Kim Wanek, Les Bethany, Norm Dickson, Lloyce Robinson

**RCSC BOARD:** Vice President Chris Nettesheim

**RCSC STAFF:** Controller Angie Nelson, Director of Finance Kevin McCurdy

**GUESTS:** Cardholder Ruth Mackay

**Introductions:** New committee member Lloyce Robinson introduced herself. Ms. Robinson joins the committee with a municipal service background.

**Review/Amend Prior Meeting Summary:** The March 19, 2025, Meeting Summary was accepted as presented.

**Old Business**

- **5 Year Planning team** – This team has a meeting on April 17, 2025, and should wrap up the review on schedule. This team has been addressing the PIF forecast, high level budget assumptions, as well as a review of planned capital projects. The COC recently submitted requests from RCSC Clubs, and the COC Committee will review and prioritize requests in the coming months. Results of this team's work will then be shared with the respective committees. Discussed communication related to LRP additions to PIF in order that this committee is informed on any planned projects and potential impact to current and coming fiscal years. Agreed this will be addressed at the next 5-year planning team meeting. Once the 5-year planning team has concluded its work, this will then be submitted to the Board.
- **Status of 2026 Budget** – Discussed the need to begin preparing town hall presentation information. An item to include is the large percentage of the budget related to wages and benefits. Minimum wage increase information will become available in September. Ms. Robinson shared that consideration should be given to reaching out to the Arizona League of Cities and Towns as a source of candidates for the open General Manager position.

- **Simplifying Treasurer's Report** – Discussion held related to member request. Co-Chair Borski will work with Board Vice President Nettesheim. Ideas include a short video to educate members, a Frequently Asked Questions section on the RCSC website, and reviewing past member and Board member education materials. Agreed the topic would be solved by the May Board meeting.
- **Q1 Financials review** – This review is typically scheduled to be discussed in May, however addressing this month due to committee request. YTD high level Profit & Loss reviewed. As of Q1 2025, RCSC was \$358K unfavorable to budget on total Income, which was offset by a \$751K favorable variance to budget on expenses, resulting in Net Operating Excess being \$643K favorable to budget. Over 400 home sales in Sun City were recorded in Q1, which is on track with the budget. Income from golf was \$335K unfavorable to budget. Expenses were favorable by \$245K, resulting in an unfavorable Net Operating Deficit variance of \$47K for Golf. Q1 Golf revenue was higher this year compared to last year. Golf was successful in increasing revenue over Q1 2024 but is not hitting budget target. Open golf positions are being slowly filled. Decreased sales of golf passes of all types is creating a negative financial variance for Golf. Golf rounds played are 0.4% below last year and 4.1% under the Q1 budget. Cost to RCSC to maintain courses is estimated at \$28/round. Concern from golfing members has been about the fee increases over the past 2 years. Increases were implemented to offset the number of years that prices for various passes were not increased or had slight increases. Revenue is above last year in all areas except non-resident pass but is not up to budget targets for pass revenue or public daily fees. Discussion held on marketing golf to non-residents and tournaments – estimated income of \$5k in revenue with tournaments. Charts reviewed today should be shared with members. We should consider posting at golf courses, and other available avenues such as the RCSC website. Discussed other West Valley annual all-inclusive golf pass fees - \$2,500 for RCSC compared to \$4,305 at Sun City Country Club, \$3,800 at Sun City West, \$5,055 at Grand. Union Hills, Sun City Country Club and Coyote Lakes are the most similar to RCSC courses in course quality. Discussed Golf Now software – and the possibility of implementing a dynamic pricing program which shows selection of available tee times, at all courses. A number of competitors utilize this system. Management is reviewing further. This has been shared with the Golf Advisory Committee. Discussed messaging to golfers based on historical data and future concern of a member paying less through Golf Now. Members can book a tee time 5 days out. After this period, tee times could be released to the public 3 days in advance. Discussed Credit card fees associated with bowling. Upgraded credit card readers have been installed, so fees may go down using a new processor.

## **New Business**

- **First Review of 2026 Capital Projects List** – Completed the first of two reviews scheduled for this year. Sundial dehumidifiers are all planned for 2037 to avoid additional costs to engineer them talking to each other. Discussed monuments (i.e., message boards at each recreation facility) and the IT needs that need to get entered into the plan. An IT project has been proposed and once the networking environment is up to speed, management will transition to a voice over internet

phone system. This system will replace three systems currently used. Committee members were asked to review in further detail and provide questions to the Director of Finance McCurdy and the Director of Facilities Wiprud in advance of September.

- **Clubs' projects** – Defined as projects to be completed in dedicated clubs' space and not benefiting other RCSC members. Other items requested from clubs could be defined as capital projects – examples include lighting, and ventilation systems, flooring. The COC Committee is tasked now with reviewing and prioritizing. In advance of this, Co-Chair Borski, who also serves as the COC Co-Chair, will meet with Director of Facilities Wiprud to scrub the initial request list. Timing for completion is September.
- **Deferred maintenance** – Committee requested update on status. Director of Finance McCurdy shared that progress continues to be made. Approximately \$12M will be spent between last year and this year. Significant projects have been completed- pool decks, paving, and roofing. This year, management is proactively replacing air conditioning units. Committee recommended member updates on accomplishments.

**Adjournment:** The meeting was adjourned at 2:55pm.

**Next Meeting:** Next scheduled meeting is May 21, 2025, at 1:00pm – Lakeview Center Board Room

Respectfully submitted,

Kim Wanek, Secretary