

# RCSC Management Report – July 30, 2022

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## **Finance:**

### **Financial Report**

The Recreation Centers of Sun City, Inc. (RCSC) ended June 2022 within its operating and capital budget year to date. All Divisions except Food & Beverage and G&A have met or exceeded their net operating budget projections year to date. Food & Beverage is (\$14.5k) unfavorable year to date due to Building and Equipment Repairs for the cafes over budget by (\$11.0k). G&A is (\$19.6k) unfavorable year to date due to the unbudgeted spending on the IT Upgrade project. Operating Income for June totaled \$1,706K and was \$70.2k (4.1%) favorable to budget due primarily to Public Golf and Cart Rentals \$36.0k favorable to budget. Operating expenses for the month were \$1,698k and (\$56.9k) unfavorable to budget due primarily to the unbudgeted IT Upgrade project spending. Year to date net operating excess excluding projects is \$1,424k (33.7%) favorable to budget.

### **Cardholder Services Report**

Payments on past due assessments in June were 10.7% of past due balances. Overall accounts receivable increased in June by 3.5% and is up 3.4% from the beginning of the year. Overall accounts receivable past due balances have increased in June by 0.6%. May assessments went 30 days past due at a rate of 4.6% and April assessments went 60 days past due at a rate of 1.5%.

Payments from our third-party collections firm totaled \$29,862 in June. Year to date payments through our third-party collections firm total \$213,391. Payments made in June through the online RCSC Web Portal totaled \$153,337 from 331 property owners. Year to date web portal payments total \$1,050,679 from 2,263 property owners.

In June, property transfer balances increased by 0.9%. Outstanding balances related to property transfers represent 51% of all receivables and 49% of past due balances. June trustee sale notices on Sun City AZ properties ended at 30, and properties owned by lending institutions decreased to 1.

### **Information Technology Report**

In June, the Information Technology team received 127 new service requests, and closed 119 requests by month end. Year to date, IT has received 821 service requests, of which 24 remain open. On average, IT is continuing to close service requests in less than one day in 2022.

IT has received almost all of the new networking equipment and has configured the hardware to prepare it for installation. IT will work with Cox this month to install the new network hardware and software to bring Lakeview online with SDWAN. IT is still waiting for delivery of backordered servers and storage devices. In June, IT also installed and configured a new network monitoring software tool to help troubleshoot and fix network issues faster.

### **Human Resources Report**

Human Resources began the month of June with 7 open requisitions and added 24 new requisitions during the month. Human Resources filled 26 requisitions and ended June with 5 open positions. Year to date, HR has opened 139 positions and filled 139 openings. The time-to fill requisition KPI in June was 7.3 days.

During the month, HR worked with the outside financial auditors to complete the 2021 401(k) audit. HR is working with the IT department to store employee files electronically to eliminate the need for paper employee HR files.

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## **Building & Infrastructure:**

### **Projects:**

#### **In Work**

##### **Lakes East/West Maintenance Yard (PIF)**

- Budget: \$4.0M Total Cost to date: \$2.0M (thru June 2022)
- Installation of new septic tank complete; interior painting complete. Current work continues with electrical, concrete and storm water pipe installation.
- **Status: Green.** Project is on budget and on schedule.

##### **Mountain View Rec Center Phases 1 and 2 (PIF)**

- Budget: \$27.3M Total Cost to date: \$81k (thru June 2022)
- Contract for design services executed July 15, 2022
- **Status: Green** Design schedule milestones are being developed by the architect and will be presented to RCSC management in August

##### **Sun Bowl Softball Field Improvements (PIF)**

- Budget: \$1.0M Total Cost to date: \$5K (thru June 2022)
- Initial drawing set for the clubhouse rebuild sent to RCSC on 06/29/22; review with Operations and Softball club pending.
- **Status: Green.**

##### **Sundial Rec Center Dehumidifier (Capital)**

- Budget: \$500k Total Cost to date: \$127K (thru June 2022)
- Contract signed 06/07/22. Installation/Completion forecast for January 2023. Contractor: W.D. Manor Mechanical Contractors.
- **Status: Green.**

##### **Viewpoint Lake Repair (PIF)**

- Budget: \$8.0M Total Cost to date: \$108k (thru June 2022)
- Pacific Aquascape International submitted 100% Drawing Set to RCSC, Maricopa County & ADWR on 06/17/22.
- Temporary construction fencing installation complete as of 07/15/22
- Homeowner Information packets going out the week of July 18<sup>th</sup>.
- Lake Draining process began 07/05/22, water level down 2 feet (as of 07/19/22)
- **Status: Green.**

### **Recently Completed**

#### **Bell Rec Center**

- Solenoids & refrigerant replacement on Central Plant Chiller #1. Project was completed on 06/07/22 at a cost of \$16,813. Contractor: W.D. Manor Mechanical Contractors

#### **Oakmont Rec Center**

- Completed remodel of former ceramic club space for the China Painters club. Work included new cabinets, a sink, painting of the space and cupboards and installation of a new storefront door. Project was completed on 07/14/22 at a cost of \$14,390. Vendors: Multiple, managed by B&I

#### **Skilled Trades (Repair and Maintenance)**

- Completed 334 work orders in June 2022

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## **Solar:**

### **New Issues:**

### **Issues Resolved:**

- **WB/WC Maintenance – Data Loggers/All Inverters not communicating**
  - IT has repaired the communication

### **Open Issues:**

- **Bell Lanes Café – Data Logger One**

Kortman has found a bad data logger and has ordered a replacement one under warranty through Also Energy. No estimated completion date currently known.

### **Production Data:**

After including June's production data, the lifetime to date production versus expected went down slightly and is over expected by 3.14%. The percentage of inverters producing above expected stayed the same at 73%.

### **Preventive Maintenance:**

Kortman is planning to start the annual maintenance in August.

## **Golf & Grounds:**

### **Pro Shops**

Total rounds for June were 19,326, which was 1,462 greater than prior year and the third highest recorded total for June in the last 17 years. For the year we have played 213,937 rounds, which represents our highest 5-month total in 16 years. Among the regulation courses Riverview has played the most rounds (33,831), Lakes West has the second highest total (32,898), followed by Willowcreek, South and North. For the executive courses, Lakes East has played the most rounds (20,795), followed by Willowbrook and Quail Run.

Of the 213,937 rounds played this year, 109,852 have been played by Annual No Fee (Resident) and Annual Surcharge passholders. Remaining rounds have been played by Cardholder Daily (41,722), Cardholder Guest (23,204), RCSC Staff (4,808), Non-Resident passholder (7,746) and Public (26,605).

### **Snack Shops**

Snack shops are now closing at 1:00 p.m. on a consistent basis, though will remain open longer, depending on demand. After the snack shops close snacks and beverages are available through the pro shop.

### **Golf Courses**

Last year RCSC applied for and was awarded Visit Arizona Initiative (VAI) grants through the Arizona Office of Tourism. This grant money totaling \$525,000 will be used for various water reduction projects on our 18-hole courses. Some of the grant money will be used to begin conversion of fairways and tee boxes to TifTuf bermuda grass. TifTuf uses up to 38% less water than other varieties of bermuda grass, goes dormant later in fall and comes out of dormancy earlier in the spring. Last year we began our own trial at Lakes West on the par 3 tees and have seen a 30% reduction in water use. Next year we will be regressing a minimum of 9.5 acres of fairways at Lakes West and 1.2 acres of tees on the North course. This process will require prepping of the fairways at Lakes West this year, which will impact playing conditions. In September we will begin chemically weakening the bermuda grass on select fairways at Lakes West. Playing conditions will be impacted as the bermuda thins and weakens, which is necessary to remove the bermuda in the Spring of 2023. The fairways will still be overseeded this Fall, with minimal impact to playing conditions through the Winter. We will put out a full schedule once dates have been

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finalized. The funds for the remaining courses will be used to convert several acres of turf to low water use areas.

Also on Lakes West changes have been made to the lake between holes 3 and 8 to increase storage capacity as Viewpoint Lake is drained for the relining project. To increase storage a berm has been placed around the perimeter of the lake increasing the depth and surface area of the lake. This lake will be marked as a penalty area outside the berm and along the cart path near hole #8 green. We will also be installing an above ground pipe that will move water from the lake to a holding tank near the pump station by #8 tee. Relief from the pipe and holding tank will be granted as a temporary obstruction. Cart traffic will be redirected away from the enlarged lake near #8 green. All of these changes are necessary to facilitate the repair of Viewpoint Lake and will be in place until the Viewpoint Lake project is complete.

### **Grounds and Lawn Bowl**

Lawn Bowl pace is running from a low of 10.0 seconds on Mountain View to a high of 11.5 seconds on Bell South. Moisture readings are running from a low of 9.8 at Oakmont to a high of 11.5 at Bell South. Greens have been core aerified twice using half inch solid tines, once using half inch hollow tines and have been verticut twice. In addition to verticutting all greens have been planed once, which is an aggressive form of verticutting designed to eliminate high spots.

The grounds crew have been busy prepping the hill at Lakeview for the Lakeview project. This includes removing vegetation and preparing systems to keep water in the lagoons while Viewpoint lank is under construction.

### **Bowling:**

The Fall League booklets are at the printer and will soon be available at both bowling centers. The Bowling department is expecting this league season to be one of the busiest in recent years.

The Bell Lanes Summer Tournaments continued the final Sunday in June. The Turkey Shoot is back and included in the events. For the June event, an extra squad was added, allowing 130 bowlers to participate. For the upcoming July event there are already 120 bowlers signed up.

Bowling in Sun City is as popular as ever. Open bowling games were the highest they have been since 2005.

Bowl with the Director continued in June and will continue the first Thursday of every month from 10:30 am until 12:00 pm at Lakeview Lanes. This event is free to all RCSC Member/Cardholders and Sun City Bowling League Participants. The purpose of this event is for anyone who may be interested in getting back in to bowling, for current league bowlers to come by and get some extra practice and coaching, and for an opportunity to chat with Mike Dirmyer about any bowling related topic. The events have been well received and the feedback has been tremendously positive. The next event is August 4, 2022.

Angry Birds Bowling has continued with great success. Since its introduction, the event has averaged 30-40 participants every Saturday night. Angry Birds Bowling is a bowling game that aligns with the popular app game and is a fast paced, 5-frame bowling game filled with excitement.

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## **Operations:**

### **Centers Operations**

The implementation of the upgraded cardio equipment approved by the Board is in progress. Since RCSC has standardized on Life Fitness equipment across its fitness centers the upgraded equipment will be in the Life Fitness product line. After reviewing the demographics of Cardholders visiting each center, overall usage, and infrastructure capacity, the new equipment will be placed at Bell Center. The order for the equipment will be finalized by the end of July with a projected 90-day delivery timeframe. The equipment cost will be \$74,777. During this 90-day window the electrical and low voltage wiring that is needed to support the new equipment will be completed. Total cost for the deployment of the equipment is not expected to exceed \$80,000 which is well under the not to exceed approved amount of \$125,000.

Feedback was received from recent security patrols at Oakmont Center that the drinking fountain on the exterior of the center near the lawn bowling greens was an attraction for trespassers on a nightly basis. Based upon this information this water fountain will be removed to eliminate this attraction for trespassers. The water fountain on the auditorium patio will be upgraded to a unit with a bottle filler to provide a better option for Cardholders and lawn bowlers when the other water fountain is removed.

## **Events and Entertainment:**

The July 4<sup>th</sup> Ring That Bell celebration was well attended. The addition of performances by the Sun City Poms and additional video were very well received. George's Cafe sold 340 lunches with \$1 from each meal going directly to the Sun City Foundation. Thank you, Sun City!

We are moving forward on incorporating an on-line ticketing system to purchase season and show tickets. We hope to have the system in place by August 2022 to begin training. We expect the system to be fully operational for 2023 Season Ticket purchasing by Monday, October 3, 2022.

The final summer concert was Wednesday, July 13 and it was a full house. The Walkens gave a great performance and received two standing ovations.

Be sure to watch the Sun Views for the 2023 concert series line-up to be released along with upcoming events in the fall.