

RECREATION CENTERS OF SUN CITY, INC.
BOARD MEETING AGENDA
Thursday, March 30, 2023
Sundial Auditorium, 9:00 a.m.

- Call to Order
- Pledge of Allegiance
- Welcome and Introductions
- Roll Call of Voting Members, Confirmation of Quorum
- Installation of 2023 Appointees
- Approval of Minutes
- Treasurer's Report
- Management Report
- Recreation Center Update Report – General Manager Cook
- Committee Recommendations

1. ***Vice President McAdam*** – On Behalf of the Elections Committee, I move to amend BP#27 titled Standing Committees, section titled Election Committee as follows:

Election Committee (also known as the Balloting Committee): The purpose of the Election Committee is to review and recommend election procedure changes, to recruit a sufficient number of Board candidates, conduct the candidate forums, ensure that elections and recall elections of the Board are conducted pursuant to the Corporate Documents, and announce the results.

- Motions Second Reading
2. ***Treasurer Fast*** – I move that the 2023 budget detail approved by the Board be posted in its entirety on the RCSC website within 10 days of the passing of this motion.
 3. ***Treasurer Fast*** – I move that the unallocated carry forward from prior years be shown as a foot note on the RCSC balance sheet.
 4. ***Treasurer Fast*** – I move that one or more plans for using the carry forward be presented by management to the Finance & Budget Committee for review and recommendation by September 2023. These plans should include the results of the committee's current work, if approved by the Board, on reserve policies.

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5. ***Treasurer Fast*** – I move that all work on the Mt. View project option 2 and building pickleball courts at Lakeview be suspended until a committee of representatives from all interested groups can be appointed to address strategic issues and alternatives. The work of this committee will be presented for member review and comment at the September 2023 Board meeting along with all data gathered by the committee.
- Consent Calendar Items
 1. Request to approve the name change of the Creative Quilters club to Quilters on Grand through the merger with the Friendship Quilters club and the move to the Grand Center.
 2. Request to approve the decharter of the Friendship Quilters club resulting from the merger into the Quilters on Grand club.
 3. Request to approve the charter of the Sun City Wallyball club.
 4. Request to approve the charter of the Table Games club.
- New Business
 1. ***Director Collins*** – I move to approve the design and complete repair of drainage at the Bell Metal Shop not to exceed \$100,000.
 2. ***Director Collins*** – I move to amend the SC Foundations Board Policy # 2 titled Books and Records to include the following:

THE SUN CITY FOUNDATION
BOARD POLICY No. 2
BOOKS AND RECORDS

An annual audit will not be necessary if the annual Foundation income is below \$ 100,000.00. (See The Sun City Foundation BYLAWS, ARTICLE VIII Section 2, Annual Audit).

A review of the books for years when the annual income is below \$100,000.00 will be done by a Review Committee as selected by the Foundation Board of Directors.

As funds in the Sun City Foundation checking account diminish below \$1,000.00, the RCSC Controller will email the Corporate Executive Coordinator to request an amount to increase the checking account total up to \$5,000.00. This amount will be transferred from the

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Foundation's Money Market Account. The Corporate Executive Coordinator will email the Controller upon completion of the transaction the total amount transferred. The goal is to retain few funds in the checking account in order to maximize the returns from funds invested elsewhere.

3. **Director Nichols** – I move to amend Bylaws Article V titled Board of Directors, Section 5 titled Meetings of the Board paragraph three by adding the following:

SECTION 5: MEETINGS OF THE BOARD

Meetings of the Board shall be held on the days and times as designated by the Board. The oath of office shall be administered to newly elected or appointed Directors at the first Board Meeting following election or appointment. The President, Vice-President or his/her appointee shall preside at all meetings. Six (6) Board of Directors shall constitute a quorum. Robert's Rules of Order shall govern procedure at all meetings of the Corporation provided they are consistent with the laws of the State of Arizona and the Corporate Documents. A Parliamentarian may be present at Board meetings at the discretion of the President.

All meetings of the Board and the Exchanges, excluding Executive Sessions and Informational Meetings, shall be open and video recorded. Member comments at Board Meetings will be limited to posted motions.

Directors can attend all duly called regular Governing Board Meeting, Informational Meetings and Special sessions of the Board either in person, by telephone conference call, video conferencing or other communication methods by which all participants can hear and talk to each other.

4. **Treasurer Fast** - I move that the Legal Affairs Committee be reestablished through an amendment to BP#27 titled Standing Committees, with the committee's purpose listed as follows:

Legal Affairs Committee: The purpose of the Legal Affairs Committee is to consider and consult upon any matter submitted to the committee by the Board of Directors, or the President, or other committees on matters of general interest to the Corporation. When so requested by any member of the Board, the committee may confer with legal counsel on behalf of the corporation.

5. **Treasurer Fast** – I move to amend the Bylaws by deleting the sections currently replicated in the reinstated Board Policies, listed below, with the exception of Board Policy 33 titled Investments. With respect to Board Policy 33 titled Investments, I move that the reinstated Policy be deleted and retained only in the Bylaws.

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BP#1 Conflict of Interest
BP#2 Senior Management
BP#3 Corporate Records
BP#6 Corporate Privacy Policy
BP#8 Privilege Card Holders
BP#9 Guests & Host Punch Cards
BP#16 Budget & Financial Reporting
BP#20 Sun City Foundation
BP#21 Membership Documentation Requirements
BP#24 Preservation & Improvement Fee and Fund
BP#27 Committees
BP#31 Risk Management

- Announcements

Next Meeting Date – The Exchange April 10, 2023, at 3:00pm in the Sundial Auditorium. The next meeting of the Board of Directors will be April 27, 2023, at 9am in the Sundial Auditorium.

- Adjournment

**RECREATION CENTERS OF SUN CITY, INC.
BOARD MEETING MINUTES**

February 23, 2023

At the Board meeting called to order by President Fimmel at 9:00am on February 23, 2023 at Sundial Auditorium, the following took place:

PRESENT: Kat Fimmel, President; Karen McAdam, Vice President; John Fast, Treasurer; Jean Totten, Secretary; and Directors John Nowakowski, Dale Lehrer, Denny Nichols, Allen Lenefsky, Steve Collins

ALSO PRESENT: Bill Cook, General Manager; Brian Duthu, Director of Golf and Grounds; Michael Wiprud, Director of Buildings & Infrastructure; Kevin McCurdy, Controller; Polly Corsino, SCVC & Marketing Manager; Joelyn Higgins, Communication & RCSC Marketing Coordinator; Marcia Johnson, Corporate Executive Coordinator; Theresa Cirino, Director of Events & Entertainment; Allen Kleinhans & Carla Young Audio/Video Engineers; Tracy Bussabarger, Timekeeper; 115 RCSC Members and 0 member(s) of the press

Pledge of Allegiance: Everyone stood for the Pledge of Allegiance.

President Comments: President Fimmel explained the process for a Board meeting and how the Board conducts business. She introduced the Board and staff members present.

Board Quorum: Secretary Totten verified that a Board quorum was present.

Minutes: With no questions noted, the Minutes of the January 26, 2023 Board Meeting were approved as presented.

Treasurers Report: With no questions on the Treasurers Report, the Treasurers Report was filed for audit.

Management Report: General Manager Bill Cook presented the Management Report. With questions answered, the Management Report has been accepted as presented.

Committee Reports: Director Collins gave a report on the Golf Advisory Committee and Treasurer Fast gave reports on the Long-Range Planning Committee as well as the Finance & Budget Committee.

Recreation Center Update Report: General Manager Cook presented his Center Update Report to the members.

Consent Calendar Items: None

• **New Business:**

1. ***Treasurer Fast*** – I move that the 2023 budget detail approved by the Board be posted in its entirety on the RCSC website within 10 days of the passing of this motion; seconded by Secretary Totten. After comments by the members and the directors, the motion passes unanimously.
2. ***Treasurer Fast*** – I move that the unallocated carry forward from prior years be shown as a separate line item of cash on the RCSC balance sheet, seconded by Vice President McAdam. Director of Finance, Kevin McCurdy commented that adding this line item does not follow Generally Accepted Accounting Principles (GAAP) which would violate Board Policy 12, Section 5. After comments by the members and the directors and prior to vote, a motion to amend was made by Treasurer Fast to strike “as a separate line item of cash” and replace it with “as a foot note on the RCSC Balance Sheet”. Seconded by Director Lenefsky, vote was taken, and the amendment passes unanimously. Vote was then taken on the amended motion which passes unanimously.
3. ***Treasurer Fast*** – I move that one or more plans for using the carry forward be presented to the Finance & Budget Committee for review and recommendation by September 2023. These plans should include the results of the committee’s current work, if approved by the Board, on reserve policies, seconded by Director Collins. After comments by the members and the directors, and prior to the vote, a motion was made by Treasurer Fast to amend the motion by inserting the words “presented by management” after “I move that one or more plans for using the carry forward be” seconded by Vice President McAdam, which passes 8 – 1 with Director Lehrer opposed. Another motion was made by Director Lehrer to amend the amended motion by striking the words “one or more plans” and replacing them with the word “guidelines”. Seconded by Director Lenefsky, the motion to amend fails 2-7 with Director Lehrer and Director Lenefsky in favor. Vote was taken on the amended motion which reads “I move that one or more plans for using the carry forward be presented by management to the Finance & Budget Committee for review and recommendation by September 2023. These plans should include the results of the committee’s current work, if approved by the Board, on reserve policies. The amended motion passes 7-2 with Director Lehrer and Director Lenefsky opposed.
4. ***Treasurer Fast*** – I move, upon completion of the 2021 audit, the RCSC Board officers have a private phone call with the auditors, so the auditors have the opportunity to present any significant issues to the Board. Vice President McAdam seconded the motion. Comments were made by members and General Manager Cook added that he supports this motion 100%. He thought that our auditors did talk to the President and Vice President. They come to the General Manager to talk about controls or issues that they may see. I believe that Director of Finance Kevin McCurdy has set up a meeting for this Friday, so I don’t know that we need to have this motion, but we do support it.

Prior to the vote, a motion was made by Treasurer Fast to amend the motion by striking the words “a private phone call” and replacing them with “communication”. The vote was taken, and the amendment passed unanimously. Vote was then taken on the amended motion which passes unanimously.

General Manager Cook asked President Fimmel since this is the first reading does this mean we cannot hold this call with the auditors, or should we waive the second reading so that we can move forward with this call? Motion was made by Treasurer Fast to waive the second reading. Seconded by Vice President McAdam, motion to waive passes 6-3 with Director Collins, Director Nowakowski and Secretary Totten opposed.

5. ***Treasurer Fast*** – In accordance with RCSC Articles of Incorporation, Article VIII, Section 1, I move that the RCSC Board elect an assistant Treasurer at the next regularly scheduled Board meeting. Treasurer Fast moved to withdraw this motion.
6. ***Treasurer Fast*** – I move that all work on the Mt. View project option 2 and building pickleball courts at Lakeview be suspended until a committee of representatives from all interested groups can be appointed to address strategic issues and alternatives. The work of this committee will be presented for member review and comment at the September 2023 Board meeting along with all data gathered by the committee; seconded by Vice President McAdam. After comments from the members, discussion was opened up for the directors. Director Collins stated, “I was told when the construction of Mt. View started, the pool will not remain open. Is that true?”

General Manager Cook responded, “Yes, that is true and the reason behind that is one from a cost perspective. It would be cheaper to close the entire center down. Second, we could complete the project quicker, and third, if we attempted to keep any of the sections open not knowing what the construction site would look like - would we want people driving into the parking lot when we have construction going on?”

Director Collins also asked if we would have drawings of Mt. View by September 2023.

General Manager Cook replied that we are working on schematics and referred the question to Director of Buildings and Infrastructure, Mike Wiprud. Mike explained that we are in schematic design and there is a list of deliverables including 3D modeling and communicating with the county. The management report stated that we are 50% done and that is from a billing standpoint, but we are really closer to 75% done. Then we go into design development and that is where we start cranking out the drawings per our schedule. We will have drawings far enough along to hand to the contractor in May of this year so they can do what we call a preliminary guarantee maximum price estimate. That will be a good benchmark for us to see if we are on track with this project meaning phase 1 and phase 2. We have given the contractor a target of \$23 million dollars to hit although we know there is extra so it could be around \$27 million dollars. In May, it will give us an idea if we are on target or not, and if not, it would be fair to say we could stop the project or if its way over, cut back on the scope but if we are on track, we keep moving forward.

Director Collins asked if we allow CCBG to continue designing, and we form a committee and ask them what they want, would this affect anything at Mt. View, if it were done by September?

Mike Wiprud replied, “That is not what the motion says, but if we are allowed to keep moving, then we will keep moving.”

Director Collins stated, “I am in favor of this motion for one reason because if it passes today, it won’t happen today. At the next meeting I would like to see the other 20,000 people come to this meeting and tell us what they really want.

Director Lenefsky said, “I voted for this project in the past because I think it is good for Sun City, and that is all I have to say.”

Director Nowakowski said, “ I have mixed emotions on this and have a difficult time accepting that a group of people can turn around and come up with a conclusion that will say, I win, and you lose before the users. When you look at the number of people affected by this, there are maybe 15 total, and they will make a determination on how to proceed. It would be physically impossible for those 15 users to be agreeable. What will happen to the facility? What we are doing is probably throwing another year into the project. We have some vendors under contract already and they are not going to sit around and wait for us to make up our minds on how we proceed. Unless we want to pay them to sit tight for the next six months and not do anything they will move on.”

Director Lehrer said, “Early on, it had been said that there was no credible data used to determine the plan for Mt. View. The Long-Range Planning (LRP) Committee spent one entire year planning and discussing the Mt. View project in 2019. We had two town hall meetings to get information from the community on what they wanted at the center. In those town hall meetings, that were very well attended, the resort style pool was brought up numerous times, and they wanted a theatre. Then we formed an Ad Hoc Committee, and everything on the list, except for the rock-climbing wall was accepted. It was presented to the RCSC Board of Directors at the May, 2021 meeting where the architect was in attendance. In May of 2021 members came up and discussed the concerns with regards to the handicapped parking and the distance from the entrances. I was not at that meeting but watched it and called with my concerns. Safety and security and access control were not a primary function of the architectural design, which was a huge mistake. The plan was amended and presented to the Board in May where it was approved, and the motion was passed.

“In 2022, we had new Board members, and they wanted a 90-day moratorium where we had lots of discussion. Now in 2023 we have new Board members and here we go again. I am appalled at the hubris of some of the new Board members that discard the time that not only the members, but the Board members spent on this project. The biggest reason for the change from option 1 to option 2 was the safety and security of the site. The LRP committee spent over a year studying

safety and security and made a presentation to the Board of which the number one topic discussed was access control.

The only item not approved that was presented by the LRP committee was a rock-climbing wall. Some of the directors went to multiple sites and looked at rock climbing walls and checked in with our insurance provider who said it probably was not a good fit for our population. The Mt. View center will have a resort style pool, a real theatre, a sports pool, a multipurpose room, and will have a fitness center. Phase 3 contains pickleball, lawn bowling and mini golf.

Vice President McAdam said, “I will keep my comments brief but would be happy to talk with anyone at length what I am about to speak on. The process leading to where we are was flawed. The conversation we are having now, many of us wish would have happened last year. This is an important conversation that we need to have. We all believe we need a performing arts center and could do better than building one in the middle of a sports center on the south side of town. My vision for you is to have a performing arts center on the lakefront property at Lakeview. I don’t believe there is a single other senior center in the United States that has an indoor gym and I actually checked. The Villages in Florida have twice our rooftops and population and they do not have an indoor gym. I asked for data on the multipurpose rooms that we have, and it would be a shame to spend money building our 15th multipurpose room when we have other things crying for attention, one of which is pickleball. What I envision for Mt. View is strictly a sports facility that keeps the current pickleball, that keeps the current lawn bowl and puts in 3 pools. A sports pool, a resort style pool and a two-lane pool as well as an outdoor spa and instead of an indoor gym, we would build indoor pickleball courts. There is space to do this if we build the performing arts center at Lakeview. We would have a beautiful sports center and a beautiful performing arts center.

President Fimmel said, “I want to make sure there is no misunderstanding. We have two centers that have not been renovated, and that is Mt. View and Lakeview. We have \$24 million dollars available for construction. If the performing arts center did not have to compete with a sports complex, that would benefit the performing arts center. The money is tied to construction. For example, it’s clear today that we need a PAC in this community; it’s good for today’s members and for future members. The performing arts center is job number 1, and that is where this money will go. By following the plan to put the performing arts center at Lakeview, it allows us to simultaneously do some renovations at Mt. View. From a fiduciary perspective, we need to be careful that we are doing the right things for the right reasons. There is money today. We can build a PAC and do other things as well. We have lawn bowling and pickleball at Mt. View, and there would be no financial benefit to destroy them. We can create Mt. View to be a sports complex, and at the same time, get a PAC at Lakeview. We have to do what’s best for the people today and what’s best to keep our community sound for the future. This motion is about taking a few minutes to look at that type of perspective, so we do what’s best for all involved. This is not a kick the can down the road but a chance to take a look and do what is right for all our members.

Secretary Totten added, “She echoed a lot of what President Fimmel stated especially the fiduciary responsibility. We are not here to keep RCSC from spending money but to ensure that it is spent wisely and for all members. When those buying here and moving in took ownership, the concept of self-governance was included in that price. We aren’t control freaks; we agree we need the performance art center. We have received information in the past that I questioned. Back in 2021, the Board met and twice the motion was postponed with the motion passing the second meeting in June 2021. There was discussion over Phase III. I’ve never seen Phase III. I suggested a long time ago using Lakeview and lease a place for staff while Lakeview was reconstructed. I’ve been told often that PIF dollars are just placeholders; they can be changed. When we see that there are two centers that need work, why can’t we think outside the box and try to do the best with that amount of money for both? I would like to see all the membership know about this, it doesn’t appear that all the members know what is going on, and I feel all those people need a chance to be heard.”

Director Collins said, “Phase 2 of Mt. View destroys pickleball and lawn bowling being rebuilt later at Mt. View at a cost of \$10 million dollars. By removing the performing arts center out of there, and not having to tear down pickleball and lawn bowling, it leaves us \$10 million dollars to do what we need to do.

After all comments were made, vote was taken, and the motion passes 7 to 2 with Director Lehrer and Director Lenefsky opposed.

Announcements:

Director Collins announced that on March 17th there will be a car show at 99th & Greenway. Anyone can enter their vehicle or go see the cars for free between the hours of 3:00pm to 5:30pm.

Next Meeting: President Fimmel reported that the next meeting will be The Exchange on Monday, March 13, 2023 at 9:00am in the Sundial Auditorium. She also noted that the next Regular Board Meeting is Thursday March 30, 2023 at 9:00am in the Sundial Auditorium.

Adjournment: President Fimmel stated that with no further business, the meeting will be adjourned. The meeting was adjourned at 12:25pm.

Respectfully submitted,

Jean Totten, Secretary

Recreation Centers of Sun City, Inc.

Treasurer's Report

March 30, 2023

The balance of unrestricted funds as of February 28, 2023, was \$20.8 million which includes a \$2.5M cash reserve. Restricted funds include the Preservation and Improvement Fund ("PIF") and the Capital Reserve Fund. As of February 28, 2023, PIF had a balance of \$31.8 million. The Capital Reserve Fund had a balance of \$5.6 million at month end. The Carryforward balance as of February 28th was \$10.1 million.

The corporation operated within its budget year to date in 2023.

Respectively submitted by

John Fast, Treasurer

Recreation Centers of Sun City, Inc

Balance Sheet

Tuesday, February 28, 2023

	Current Year	Prior Year
ASSETS		
Cash and Investments		
Petty Cash	\$12,287	\$12,287
Cash in Bank	15,417,614	13,853,272
Cash - Money Market	2,908,145	2,837,145
Operating Reserve	2,500,000	2,500,000
Subtotal Cash and Investments	<u>20,838,046</u>	<u>19,202,704</u>
 Preservation/Improvement Fund	 31,848,827	 28,317,297
Capital Reserve	5,617,991	5,556,043
PIF Pending	0	783,649
 Accounts Receivable	 71,208	 100,463
Accounts Receivable - Assessments	45,233	2,765,081
Deposits & Prepaids	350,818	101,437
Inventory	169,198	124,503
Subtotal Cash, Investments and Other Current	<u>58,941,321</u>	<u>56,951,177</u>
Assets		
 Fixed Assets		
Land	4,397,807	4,397,807
Land Improvements	40,925,972	40,872,170
Buildings & Structures	90,992,560	90,342,022
Furniture, Fixtures & Equipment	33,110,451	32,219,915
Vehicles	1,882,190	1,868,460
Less: Accumulated Depreciation	<u>(96,283,350)</u>	<u>(90,421,983)</u>
Net Fixed Assets	75,025,630	79,278,391
Work in Progress	9,651,106	3,950,828
Total Assets	<u><u>143,618,057</u></u>	<u><u>140,180,396</u></u>
LIABILITIES & NET WORTH		
Current Liabilities		
Accounts Payable	904,895	1,394,537
Other Current Liabilities	370,960	429,910
Deferred Income	8,132,563	7,423,844
Deferred PIF Income	31,523,829	27,816,933
Pre Billed Assessments	0	2,810,526
Total Current Liabilities	<u>40,932,247</u>	<u>39,875,750</u>
 Other Liabilities		
Net Worth		
Net Worth	100,499,679	97,664,481
Excess/Deficit Year to Date	<u>2,186,131</u>	<u>2,640,165</u>
Total Net worth	<u>102,685,810</u>	<u>100,304,646</u>
Total Liabilities and Net Worth	<u><u>143,618,057</u></u>	<u><u>140,180,396</u></u>

Recreation Centers of Sun City, Inc
STATEMENT OF INCOME AND EXPENSES
For the Two Months Ending Tuesday, February 28, 2023

	February Actual	February Budget	YTD Actual	YTD Budget	YTD Variance	Prior YTD
Operating Income:						
Property Assessments	\$1,080,467	\$1,181,918	\$2,156,979	\$2,260,751	(103,772)	\$2,160,751
Transfer & Access Fees	40,200	62,500	79,800	125,000	(45,200)	126,900
Privilege & Guest Cards	92,301	72,968	178,395	147,817	30,578	168,143
Food/Liquor Sales	97,687	107,921	188,460	206,715	(18,255)	170,275
Bowling Fees	86,794	78,924	180,464	159,479	20,985	147,334
Prepaid Green Fees	176,288	176,106	352,573	352,212	361	342,053
Prepaid Green Fees - Non	30,295	26,885	60,648	53,854	6,794	50,657
Daily Green Fees & Surcharge	625,846	641,252	1,158,965	1,216,386	(57,421)	1,301,709
Range Fees	40,262	47,380	77,778	92,965	(15,187)	92,867
Cart Rental	57,415	62,185	110,223	117,411	(7,188)	113,622
Merchandise Sales	17,897	20,938	35,093	36,964	(1,871)	37,247
Cardholder Events & Club Fees	115,364	101,500	153,071	177,500	(24,429)	120,960
Rental Income	23,683	26,159	68,760	56,711	12,049	62,184
Contributions	2,700	800	9,525	6,450	3,075	3,848
Miscellaneous Income	5,168	1,094	10,233	2,107	8,126	10,074
Total Operating Income	2,492,367	2,608,530	4,820,967	5,012,322	(191,355)	4,908,624
Operating Expenses:						
Salaries and Wages	806,385	840,698	1,579,312	1,680,326	(101,014)	1,494,045
Payroll Taxes & Benefits	175,804	272,105	355,131	544,105	(188,974)	364,275
Repairs and Maintenance	235,355	294,096	427,996	562,414	(134,418)	320,613
Utilities Expense	185,199	191,054	373,268	376,352	(3,084)	368,059
General Operating Expense	124,358	253,098	288,682	549,833	(261,151)	321,536
Cost of Goods Sold -Food &						
Liquor	32,837	36,020	61,981	69,101	(7,120)	54,049
Cost of Goods Sold - Merchandise	28,695	27,505	51,919	50,213	1,706	47,042
Cost of Goods Sold - Events	36,679	32,300	52,769	49,250	3,519	48,110
Total Operating Expenses	1,625,312	1,946,876	3,191,058	3,881,594	(690,536)	3,017,729
Net Operating Excess/(Deficit)	867,055	661,654	1,629,909	1,130,728	499,181	1,890,895
Other Income:						
Insurance Proceeds	0	0	1,000	0	1,000	0
Interest Income	37,713	0	79,865	7,500	72,365	10,759
Proceeds - Sale of Assets	500	0	500	0	500	0
Investment Income (Unrestricted)	5,162	4,688	1,891	9,376	(7,485)	(3,363)
Unrealized Gains/Losses						
Investments (Unrestricted)	0	0	384,825	0	384,825	136,721
Total Other Income	43,375	4,688	468,081	16,876	451,205	144,117
Other Expense:						
Property Tax	12,232	12,255	24,465	24,510	(45)	23,846
Insurance	64,046	73,503	128,092	145,006	(16,914)	128,092
Investment Fees (Unrestricted)	0	0	1,965	2,500	(535)	1,569
Other Expense	0	0	0	0	0	(110)
Total Other Expense	76,278	85,758	154,522	172,016	(17,494)	153,397
Net Excess/(Deficit) Before Depreciation	834,152	580,584	1,943,468	975,588	967,880	1,881,615

RCSC Management Report – March 30, 2023

Finance:

Financial Report

The Recreation Centers of Sun City, Inc. (RCSC) ended February within its operating and capital budget year to date. All Divisions except Food & Beverage have met or exceeded their net operating budget projections year to date. Food & Beverage is (\$17.2k) unfavorable year to date due to food and liquor sales being negatively impacted by weather. Operating Income for February totaled \$2,492k and was (\$116.1k) unfavorable to budget due primarily to Assessments being below budget by (\$101.4k). Assessment income was under budget because the January and February assessment invoices were issued for \$496 due to delays in approving the 2023 Budget. Operating expenses for the month were \$1,527k and \$323.9k favorable to budget due to Wages & Benefits being favorable to budget by \$130.6k due to attrition, Building Projects being favorable by \$59.4k due to the timing of project completion, and Equipment being \$59.7k favorable due to the timing of fitness equipment purchases. Year to date Net Operating Excess was \$499k (30.6%) favorable to budget.

Cardholder Services Report

Payments on past due assessments in February were 11.5% of past due balances. Overall accounts receivable decreased in February by (0.1%) and is down (0.6%) from the end of 2022. Overall accounts receivable past due balances have decreased in February by (0.1%). January assessments went 30 days past due at a rate of 4.7% and December assessments went 60 days past due at a rate of 1.2%.

Payments from third-party collections firms totaled \$5,992 in February, and total \$12,615 year to date. Payments made in February through the online RCSC Web Portal totaled \$197,939 from 405 property owners. Year to date online portal payments total \$382,178 from 794 property owners.

In February, property transfer balances decreased by (3.3%). Outstanding balances related to property transfers represent 57% of all receivables and 59% of past due balances. February trustee sale notices on Sun City AZ properties remained flat at 38, and properties owned by lending institutions remained at 1.

Information Technology Report

In February, the Information Technology team received 87 new service requests, and closed 81 requests by month end, leaving 13 remaining open. On average, IT closed service requests in less than one day in February. Year to date, IT has opened 192 tickets, and closed 179 tickets.

This month, IT continued to work on the new server room. Cox has completed running the new connection to the server room, and new cabling has been run from the server room to the Corporate, HR, Accounting, and Cardholder Services spaces at Lakeview. The server room should be complete and ready for installation of the new server and networking equipment by the end of March. IT also completed installation of wifi equipment for the quilters space at Grand.

Human Resources Report

Human Resources added 19 new requisitions during the month of February and filled 24 requisitions, ending the month with 1 open position. Year to date, HR has opened 29

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requisitions, and filled 35 open positions. The time-to fill requisition KPI in February was 11 days due to filling one Greensworker position that was open for 64 days.

HR created two new budgeted positions this month: an Assistant Area Custodian Supervisor, and a Bowling Tournament / League Manager. Both positions were filled in February. HR completed ordering the new RCSC staff shirts and began evaluating services that will allow RCSC to benchmark salaries against other West Valley employers.

Building & Infrastructure:

Projects:

In Work

Lakes East/West Maintenance Yard (PIF)

- Budget: \$4.0M Total Cost to date: \$3.68M (thru February 2023)
- Landscaping – SiteWorks LLC to commence landscaping project by the end of March. Duration of the project is approximately 3 weeks.
- Status: Green

Mountain View Rec Center Phases 1 and 2 (PIF)

- Budget: \$27.3M Total Cost to date: \$245K (thru February 2023)
- Schematic design is complete as of 03/07/23
- Owner/Architect/Contractor Meeting #2 held 03/16/23
- Status: Green

Sun Bowl Softball Field Improvements (PIF)

- Budget: \$1.0M Total Cost to date: \$28.5K (thru February 2023)
- Reviewed progress drawing set again with Sun City Softball Club and RCSC Operations on 03/15/23. Some more modifications were made to the plan which need to be communicated to CCBG for incorporation.
- Proposals being evaluated from Multicard and Fire Security Electronics & Communications for door security and video surveillance elements
- Status: Green.

Sundial Rec Center Dehumidifier (Capital)

- Budget: \$500k Total Cost to date: \$127K (thru February 2023)
- Installation by crane of DHU-3 was completed on 02/28/23. Unit is going thru startup procedures and final buyoff with Sun City Fire Department. Contractor: W.D. Manor Mechanical Contractors.
- Status: Green.

Viewpoint Lake Repair (PIF)

- Budget: \$8.0M Total Cost to date: \$2.4M (thru February 2023)
- 1,396 Truckloads of soil have been removed from the lake as of 03/17/23
- Project to complete before the end of September 2023
- Status: Green

Recently Completed

Lakeview Lanes (George's Café)

- Replaced 48" sandwich prep table (end of life). Project was complete 03/15/23 at a cost of \$3,811. Vendor: Southwest Restaurant Supply

Marinette Rec Center

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- Installed 14 new high-bay LED light fixtures at the fitness center. Project was complete on 02/22/23 at a cost of \$12,167. Vendor: Kortman Electric

South Golf Maintenance

- Repainted interior restroom, offices, and breakroom. Project was complete 02/21/23 at a cost of \$3,950. Vendor: Exquisite Painting

Skilled Trades (Repair and Maintenance)

- Completed 329 work orders in February 2023. Average time to close: 9 days

2023 Project Planning

- B&I is sending out numerous Requests for Quotations (RFQ's) to vendors for authorized 2023 Capital Projects. Including, but not limited to:
 - HVAC replacements
 - Roofing replacements
 - Parking Lot paving & striping
 - Pool & Spa pump replacements
- Seeking 3 quotes per project. Quotes are being assessed and bids awarded in March and April

Solar:

New Issues:

N/A

Issues Resolved:

N/A

Open Issues:

Oakmont Inverter Structure Number 1.

- Panels have been removed for spares and purlins are being removed.

WB/WC Maintenance Structure Number 8.

- Purlins have been replaced; Kortman will install the panels Week of 3/20/23.

WB/WC Maintenance Inverter Number 3, 7, and 9.

- Power one is awaiting parts to repair inverters. The supplier went out of business; they are looking for another parts provider.

Lakeview Rec Center Inverter Number 9.

- Power one is awaiting parts to repair inverters. The supplier went out of business; they are looking for another parts provider.

Bell Lanes Café – Inverter #05

- Power one is awaiting parts to repair inverters. The supplier went out of business; they are looking for another parts provider.

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Production Data:

After including February's production data, the lifetime to date production versus expected went Down slightly to 3.08%. The percentage of inverters producing above expected stayed the same at 73%.

Preventive Maintenance:

Kortman Is looking to do annual maintenance around June.

Golf & Grounds:

Pro Shops

We played 39,892 rounds in February, of those 19,432 were played by Annual No Fee (Resident) and Annual Surcharge passholders. Remaining rounds were played by Cardholder Daily (7,913), Cardholder Guest (5,471), RCSC Staff (730), Non-Resident passholder (1,445) and Public (4,901). Total rounds were 1,787 fewer than prior year. Rounds were primarily impacted due to weather. The average high temperature for February 2023 was 63.54, down from 67.04 for February 2022. There were 6 days impacted by rain for February 2023, compared to 1 days for January 2022.

We currently have 152 active Non-Resident Golf passes, 90 with cart included 62 walking. As reported last month, at the end of the 6 month trial, the number of Non-Resident passes had increased. Beginning March 1 the price of both passes increased by \$500, the current selling price is \$2,750 walking and \$3,250 riding.

Our March trial of straight sheets, as approved by Golf Advisory in January, is continuing. At the time of this report, twenty five days of information was available. We continue to see an increase in the number of requests for tee times over prior year. Through the first twenty five days we have received 15,724 rounds requests, an increase of 8.25% over the prior year 14,526 rounds requests. The bumps (number golfers not receiving a tee time) for 2023 through March 25 was 1,809 compared to the 1,288 bumps in 2022. Through March 25 the bump% was 11.5% compared to 8.87% in 2022. In summary the number of rounds requests increased by 8.25% and the Bump Rate Percentage increased by 2.64%. At the March 2023 Golf Advisory meeting, the committee voted to continue straight sheet trial through the month of April.

The March Golf Advisory committee also approved proposed modifications to the Ranger Program. The changes proposed were made in an effort to increase the number of Rangers. For each 4 hour shift worked the ranger will receive a voucher for a round of golf at RCSC employee pricing of \$2.00. The only requirement is that each volunteer a minimum of four (four hour) shifts per month, there is no maximum. Rangers using their personal cart will still receive fuel reimbursement based on the total number hours of worked and the current average price of fuel. Anyone interested in becoming a volunteer ranger should contact Chris Linam at clinam@suncityaz.org or by phone 623-876-8419.

We have scheduled a night golf event for Saturday April 22nd at Lakes East. Check-in will begin at 5:30 p.m., dinner will be 6:00 p.m. and play will start at 7:00 p.m. The format will be a two-person scramble, and the entry fee will be \$35.00. Entry forms are available at all pro shops, and we ask that the entries be turned in at Lakes East/Lakes West pro shop. Green fees will be paid on the day of play, entry fees will be due April 8th. The field will be limited to 56 players.

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Snack Shops

Snack shops closing time is 5:00 p.m. and will remain so until rounds begin decreasing in April. Snack Shops have the discretion to remain open longer on particularly busy days.

Golf Courses

As a reminder, we respectfully ask that golfers refrain from entering private property to retrieve errant golf balls. While there are some homeowners that are not bothered by golfers retrieving errant shots, there are many that feel violated when someone enters their property to retrieve a ball. Please remember that when retrieving an errant shot on a homeowners property, you are trespassing, unless you have been given permission to enter their property. We ask for your cooperation in respecting the property of others.

Our annual USGA visit is scheduled for Tuesday, April 25 and will be conducted by Brian Whitlark from the USGA Green Section. This year we are inviting two representatives from each Green Committee to accompany us for their course visit. We will be spending approximately one hour per property. We have asked each committee to prepare a list of questions/concerns they would like addressed ahead of time. In addition to the Green Committee the RCSC Board of Directors, also attends along with course maintenance personnel.

Lawn Bowl and Grounds

The pace of the greens range from a low of 13.5 seconds on Oakmont and Mountain View to a high of 15.0 seconds on Bell North. Moisture readings range from a low of 8.0 at Bell South and a high of 10.2 on Lakeview East. Greens are currently mowed once per week, rolled three times per week and ditches are cleaned three days per week. Mowing frequency will increase as we move into longer and warmer days. The grounds crew remains busy at the centers trimming trees, spraying weeds and maintain Sun Bowl for the spring concerts.

Bowling:

In February, there were 31,720 games bowled at both bowling centers. The most total games bowled at the centers since 2012 and an overall usage increase of 11% over the prior year. Open Bowling continues to be as strong as ever. There were 8,887 open bowling games bowled, which is the most ever in the month of February since we began keeping track by month in 2001.

The 33rd Annual Sun City Open Senior bowling tournament is coming the final weekend in April and first weekend in May. 77 teams competed last year. Entry forms are available at both centers, so get your teams together and sign up.

The Summer League sign up booklet is out at both centers. Spots are filling up fast so get signed up as soon as possible.

Bowl with the Director continued in March and will continue the first Thursday of every month from 10:30 am until 12:00 pm at Lakeview Lanes. The March event had 31 people that attended. 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 into 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 April 6, 2023.

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Angry Birds Bowling has continued with great success. Since its introduction, the event has averaged 30-50 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.

There have been thirty-seven 300 games and fifteen 800 series bowled at both centers so far in this league bowling season.

Operations:

Centers Operations

RCSC is back into full swing with an increase in the activities at the centers. This past month we have seen the Wisconsin Days and Vintage Vehicles Club Car Show at the Sun Bowl, Sundial Concert series, Men's Club Bingo, and multiple weekly dances. Also, this year was the first Italian Festival at the Sundial Center. The Custodial staff and their leadership team played an integral role in the success of these events.

Chartered Clubs

Club rosters are due from each club the first of March. To date the clubs have completed this task very well with just five club rosters outstanding.

The Chartered Clubs Office is beginning to work with clubs on the filing of the E990 postcard financial filings with the IRS. The due date for submissions is May 15th with some clubs getting a head start on this annual requirement.

Assigned club times for the Water Volleyball Club at the Oakmont Center have been increased by including the 11:00am-12:00pm block of time on Mon/Wed/Fri/Sun. Water Volleyball Club hours are now 11:00AM-3:00pm Mon/Wed/Fri/Sun.

Events and Entertainment:

The four shows of the ticketed series held in February did not disappoint! All the acts received a warm Sun City welcome and standing ovations each. The remaining shows of the ticketed series scheduled for March will deliver nothing less!

The Sun Bowl winter/spring series began Sunday, March 5th; however, we did have to move this show inside to the Sundial due to the cold and the rain-saturated Sun Bowl. This didn't keep RCSC Members and their guests away. The disco ball rotated all evening as the elbow-to-elbow dancing was non-stop.

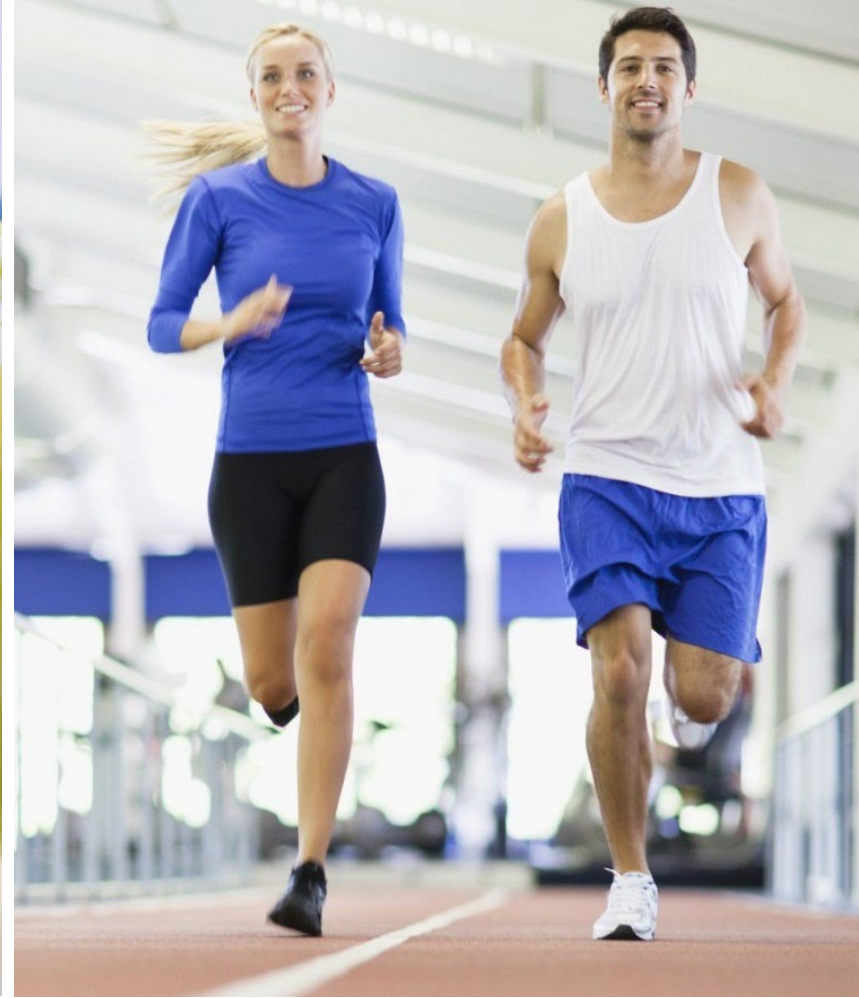
RCSC hosted the Italian Association Festival on March 11th and 12th at the Sundial Recreation Center. The attendance was much greater than anticipated. The food was plentiful, and authentic. There were local vendors and a few of our own craft clubs offering their wares for sale. The entertainment gave a nice variety for all including the Flag wavers that were here from the old country entertaining both young and old. An event we anticipate having again in the future.

RCSC will host the US Navy Sea Chanters in March. The Sea Chanters are a component of the United States Navy Band and are frequently found at the center of the country's most important national events, including inauguration day performances and state funerals. Grab

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your lawn chair. They perform 6pm at the Sun Bowl on Monday, March 27th. Food trucks will not be present for this event.

Volunteers are signing up to help stuff Easter Eggs for our annual Easter Egg hunt at Sun Bowl. We are stuffing 7,000 eggs this year with candy and prizes on Friday, March 17th in the Sundial West Hall from 9am to 2pm. Contact the Events and Entertainment Office if you are interested in helping.



GM REC CENTERS UPDATE

BOARD OF DIRECTORS MEETING MARCH 30, 2023

FINANCE

- **Year to Date Income of \$4.8M Unfavorable to Budget by \$191k**
 - **Weather negatively affecting Golf Income and lower Assessment Income driving Unfavorability**
- **Year to Date Operating Expenses of \$3.0M is \$689k Favorable to Budget**
 - **Wages, Lower Project Costs and Lower Software Maintenance Fees driving Favorability**

FINANCE

- **Year to Date Net Operating Excess of \$1.6M is \$499k Favorable to Budget**
- **Information Technology Processed 192 Service Requests in February**
- **Human Resources Filled 19 Job Requisitions in February**

BUILDING & INFRASTRUCTURE

- 329 Work Orders Completed in February
- *Mountain View Center Phases 1 and 2*
 - Budget: \$245k of the \$27.3M Budget Spent
 - Schedule: Tentative Groundbreaking April 2024
 - Recent Milestones Completed: Schematic Design Complete. First Owner/Architect/Contractor (OAC) meeting held
 - Next Steps: Conduct Meetings with Players Club to review latest Performing Art Center design.

BUILDING & INFRASTRUCTURE

- *Sun Bowl Softball Field Improvements*
 - Budget: \$29k of the \$1.0M Budget Spent
 - Schedule: Construction Start Q2 2023, Completion Q4 2023
 - Recent Milestones Completed: Drawing set Reviewed with Club, Operations and CCBG. Proposals for Video and Security submitted.
 - Next Steps: Complete Architectural and Civil Designs. Submit Plans to County. Review Proposals for Security and Video. Update Drawings based on Club and Operations Inputs

BUILDING & INFRASTRUCTURE

- *Viewpoint Lake Repair*
 - Budget: \$2.4M of the \$8.0M Budget Spent
 - Schedule: Rain continues to delay soil removal.
 - Recent Milestones Completed: 1,396 Truckloads of soil removed. Shoreline Construction started.
 - Next Steps: Homeowner Town Hall Scheduled for Monday April 3 at 10AM in the Sundial Auditorium

BUILDING & INFRASTRUCTURE

- *Best Friends Dog Club Indoor Space*
 - Budget: TBD – 2023 PIF
 - Schedule: TBD – 2023 PIF
 - Recent Milestones Completed: Interim Space Evaluated with BFDC. Interim space not approved – too small. Club delivered space requirements.
 - Next Steps: Estimate cost and location of new space for PIF approval

BUILDING & INFRASTRUCTURE

- *Clay Club Renovation - Marinette*
 - Budget: \$23.3k of the 340k Budget Spent
 - Schedule: Start Construction Summer 2023. Electrical equipment lead time driving delays.
 - Recent Milestones Completed: LED lighting procured.
 - Next Steps: Work to commence once Electrical equipment in house. Expected start in June.
- *Quilters Club Buildout - Grand*
 - Schedule: Completion March 2023
 - Recent Milestones Completed: Certificate of Occupancy received. Final punch list created.
 - Next Steps: Move-in March 30th

GOLF

- Year to Date Income of \$1.8M Unfavorable to Budget by \$67k
 - Primarily Driven by Inclement Weather
- Year to Date Operating Expenses of \$900k Favorable to Budget by \$134k
- Year to Date Net Operating Excess of \$860k is \$66k Favorable to Budget
- February Total Rounds was 39,892

BOWLING

- Year to Date Income of \$211k Favorable to Budget by \$29k
 - Primarily Driven Open Bowling and Liquor Sales
- Year to Date Operating Expenses of \$115k is \$21k favorable to Budget
- Year to Date Net Operating Excess of \$85k is \$47k Favorable to Budget
- February Lineage was 31,720
 - Highest February Total since 2012

OPERATIONS

- Wisconsin Days, Vintage Vehicle Car Show, Sundial Concerts, Men's Club Bingo and Italian Festival all successfully Supported by the Operations Staff
- Clubs Office Supporting Clubs in filing IRS 990 Forms due May 15th
- Water Volleyball Club hours at Oakmont have been increased 11am-3pm Mon/Wed/Fri/Sun

EVENTS & ENTERTAINMENT

- **4 Sundial Concerts Performed in February.**
- **The Italian Association Festival was successfully held in March with attendance exceeding expectations.**
- **The US Navy Sea Chanters will perform in March**
- **Preparation for the Annual Easter Egg Hunt is Underway with 7,000 Easter Eggs to be Stuffed**