

RCSC Management Report: October 31, 2024

FINANCE:

September proved to be another challenging month with reduced income and increased expenses, primarily from golf, as seen below. Consulting costs are also over budget but most of them will be converted to capital as projects get approved, and the consulting prework is rolled into the overall project cost. To help bring the overall budget back into line, Quarter 4 expenses are being curtailed where possible, without affecting safety, member enjoyment, and obvious aesthetics.

Financials:

The Recreation Centers of Sun City, Inc. (RCSC) ended September within its capital budget year to date. RCSC ended the month of September with a Net Deficit from Operations of (\$140.7k) but this Deficit was **(\$988.5k)** unfavorable to budget. The Non-Golf division met its net operating budget year to date and is \$46.3k favorable to budget. The Facilities division was (\$20.4k) unfavorable year-to-date due to Vegetation Management in the Grounds department. The Finance division was (\$52.2k) unfavorable year-to-date due to Consulting. **Golf** has generated a year-to-date net operating deficit of (\$860k) and is **(\$962k)** unfavorable to budget. Golf revenue is (\$284.2k) under budget due to Daily Public and Cardholder Green Fees below budget by (\$108.1k) and (\$55.2k), respectively, and Non-Resident Pass fees (\$67.3k) below budget. Golf Operating Expenses were (\$727.4k) over budget due to Vegetation Management (\$202.0k), Employer Paid Medical (\$86.5k), Rolling Stock and Sprinkler Repair Parts being (\$114.5k) and (\$75.4k) unfavorable, respectively, and Pump/Well Electric unfavorable by (\$88.7k).

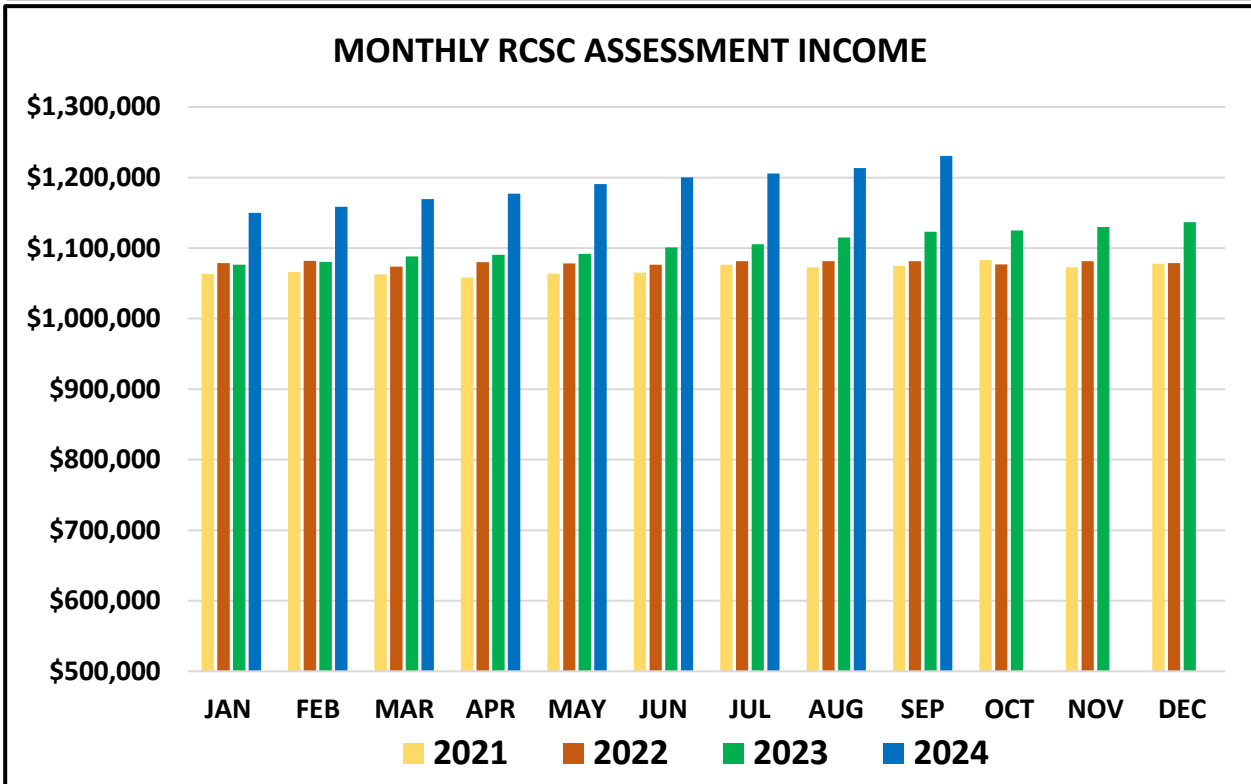
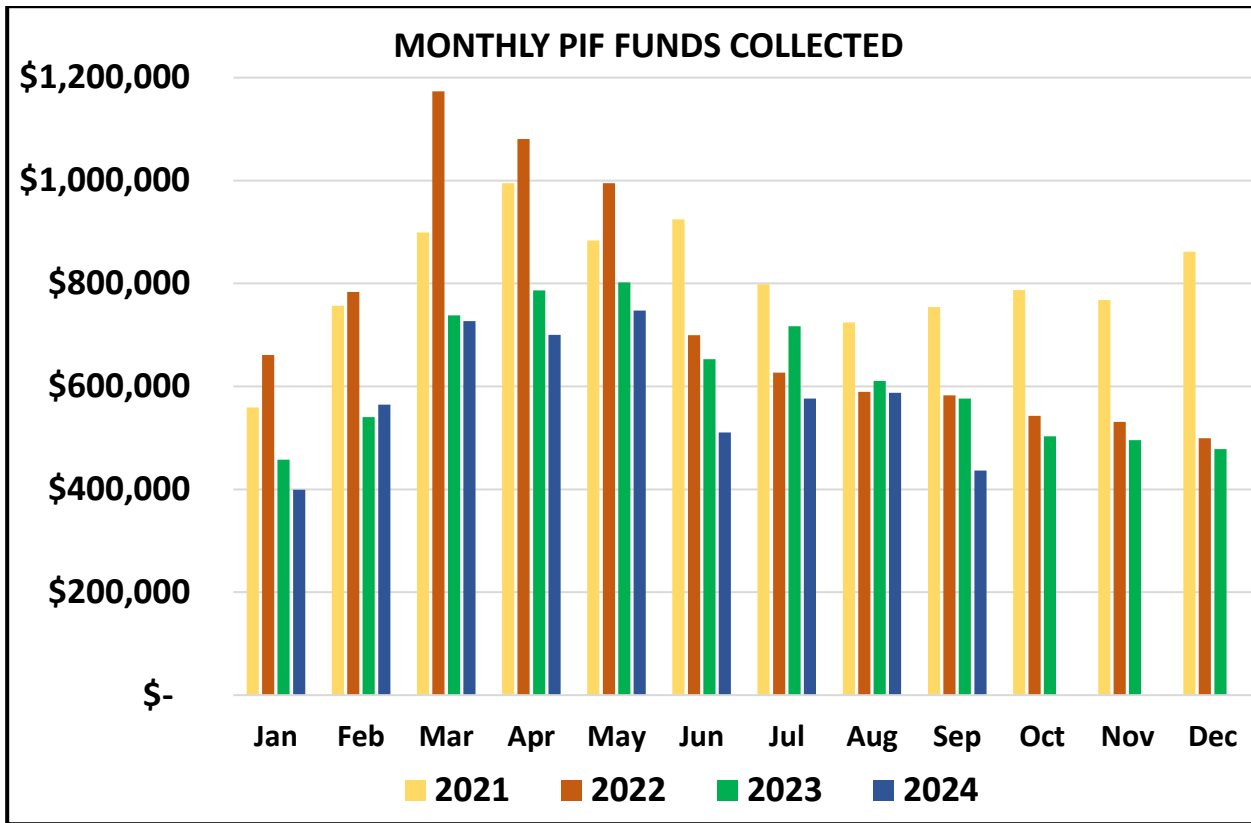
Total Operating Income for September totaled \$1,924k and was (\$54.4k) unfavorable to budget due to Assessment Income and Transfer Fees being (\$23.5k) and (\$16.3k) below budget respectively. Operating Expenses for the month were \$2,085k and (\$91.0k) unfavorable to budget due to Wages & Benefits (\$30.5k) over budget, Tree Trimming (\$20.0k) unfavorable, and Rolling Stock Parts (\$29.7k) over budget.

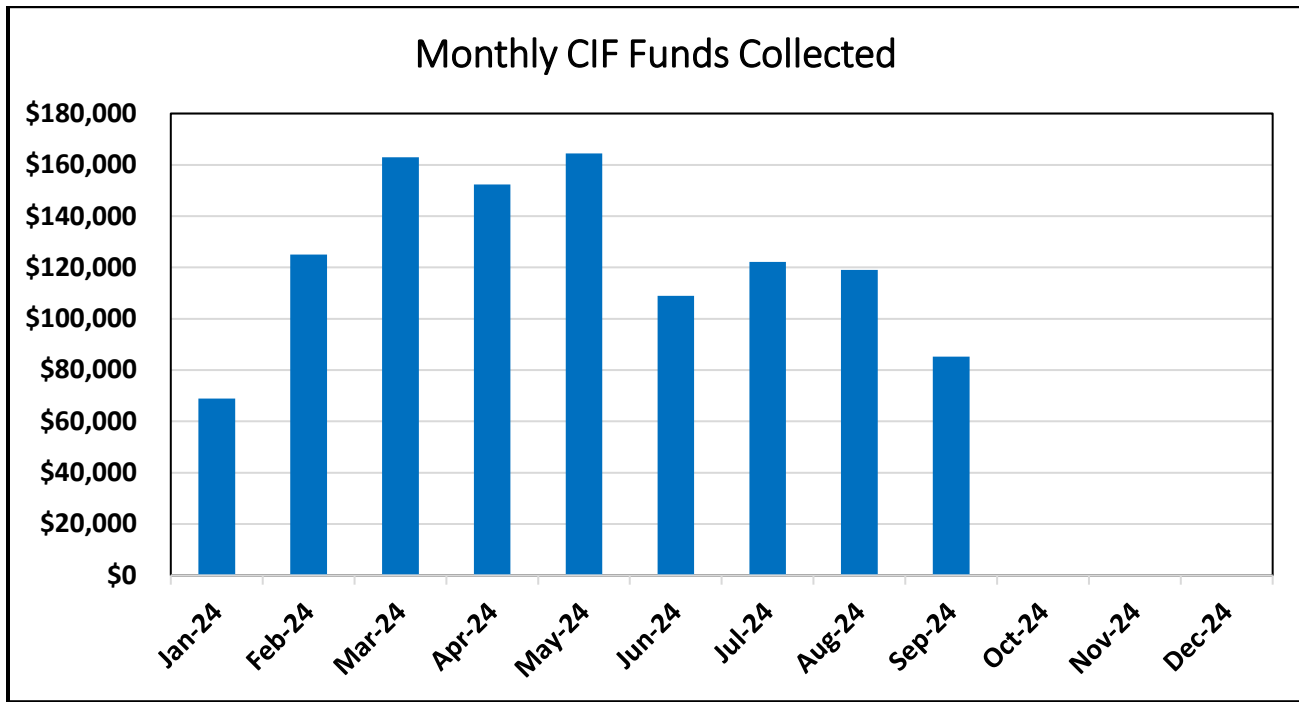
Cardholder Services:

Payments on past due assessments in September were 12.3% of past due balances. Overall accounts receivable increased in the month by 3.8% and are up 15.1% from the end of 2023. Overall accounts receivable for past due balances decreased in September by (0.3%). August assessments went 30 days past due at a rate of 6.7% and July assessments went 60 days past due at a rate of 2.6%.

Payments from third-party collections firms totaled \$29,014 in September and totaled \$338,648 year to date. September payments made through the online Web Portal totaled \$224,969 from 413 property owners. Year to date Online portal payments total \$2,199,961 from 4,022 property owners.

In September, property transfer balances increased by 7.8%. Outstanding balances related to property transfers represent 57% of all receivables and 56% of past due balances. September trustee sale notices on Sun City AZ properties increased from 26 to 27, and properties owned by lending institutions remained at zero.





Safety & Compliance:

Incident Reports / Customer Engagement:

In September, 102 incidents were reported and investigated, bringing the year-to-date (YTD) total to 493. We have seen an increase in conduct issues between Members, particularly related to politics. While political attire is not regulated by RCSC, profane language, whether spelled out or in graphic form, is prohibited. All members are expected to treat each other with respect and adhere to Board Policy 10 Code of Conduct. The Customer Engagement Platform received 12 inquiries in September, with a YTD total of 892. Efforts are underway to educate RCSC Members on the platform's benefits and increase enrollment in the system. Employees and board members are encouraged to guide members toward using the platform, which centralizes tracking of concerns, compliments, complaints, and suggestions. Ongoing collaboration with the vendor aims to improve the platform's ease of use and overall functionality.

Incident Reports investigated this month: 102. Year-to-date: 493

Customer Inquiries responded to this month: 12. Year-to-date: 892

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HEALTH AND SAFETY INCIDENT REPORT DATA - January to September 2024

RCSC PROPERTY INVOLVED	RCSC Prop Damage	Medical/Injury/ Slip/ Trip/Fall Refused Medical	911 - Medical - Refused Transport or Not Required	911 W/TRANSPORT - MEDICAL	911 - INJURY/ SLIP/ TRIP/FALL	Behavior /Misc	*MCSO - Trespass	MCSO Reports	TOTAL INCIDENTS BY LOCATION
Bell Lanes						3			3
Bell Recreation Center	13	19	5	5	2	25	3	3	75
Duffeeland Dog Park				1		12			13
Fairway Recreation Center	5	14	3	10		26	16	7	81
Grand Center		4				1	6	1	12
Lakes East Golf Course		1		1		1			3
Lakes Golf Maintenance		1		1					2
Lakes West Golf Course	2	2				15			19
Lakeview Lanes						8			8
Lakeview Recreation Center	1	11	3	6		27	6	3	57
Marinette Recreation Center	2	11	4	6	3	14	3	1	44
Mountain View Recreation Center	2	4	2	1	1	5	2		17
North Golf Course	1	1				2			4
North Golf Maintenance	1								1
Oakmont Recreation Center	4	4	2	1		3	5		19
Quail Golf Maintenance		4	2	1		3	5		15
Quail Run Golf Course						3			3
Riverview Golf Course	1	3				4	1		9
Riverview Golf Maintenance	1				1				2
South Golf Course		2		1		12	1		16
South Golf Maintenance	2	5		1	1		2		1
Sunbowl Property - Includes Softball	3	12	3	1			5		24
Sundial Recreation Center	1	21	5	6	1	14		2	50
Willow Golf Maintenance						1			1
Willowbrook Golf Course	1								1
Willowcreek Golf Course	4	3		1		5			13
TOTALS	44	122	29	43	9	184	55	17	493

MCSO - Trespass *includes reports of trespassers w/out MCSO reports to document individuals on property that left prior to calling MCSO
MCSO Reports/ Calls for Service Non-Trespass

Security:

Approximately 300 new building access tokens were distributed to Members at multiple facilities. User access adjustments were made at Duffeeland to prevent early entry, and a temporary security camera was installed at Fairway's East door due to increased reports of trespassing at night. The TEG-Avigilon integration project is pushing for completion by end of year, with the focus on ensuring a streamlined, functional system for smart card distribution to RCSC Members and Cardholders. This will be tested and communicated prior to implementation.

The Safety team reviewed and modified the new Ford Telematics reports and completed OSHA 30-hour General Industry training. Management of First Aid/CPR/AED training, three SafetyPlusWeb training sessions, and coordination with DSS+ for the STOP for Safety program – set to begin in October – were also completed.

Human Resources:

Human Resources opened 7 requisitions during the month of September and filled 16 requisitions, ending the month with 2 open positions. Year-to-date, HR has opened 126 requisitions and filled 129 open positions. The time-to fill requisition KPI in September was

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7 days. The September 2024 Turnover rate was 2.1%, and the year-to-date annualized Turnover was 31.3%. This rate compares favorably to the 36.5% year-to-date annualized Turnover rate as of September 2023. HR met with our Benefits broker to review 2025 benefits and begin preparing for open enrollment. In 2025, RCSC's Medical insurance premiums will increase by 3%, with Dental and Vision premiums staying the same as 2024. HR is working on creating fillable forms for Human Resources to make form completion easier for all staff.

Information Technology:

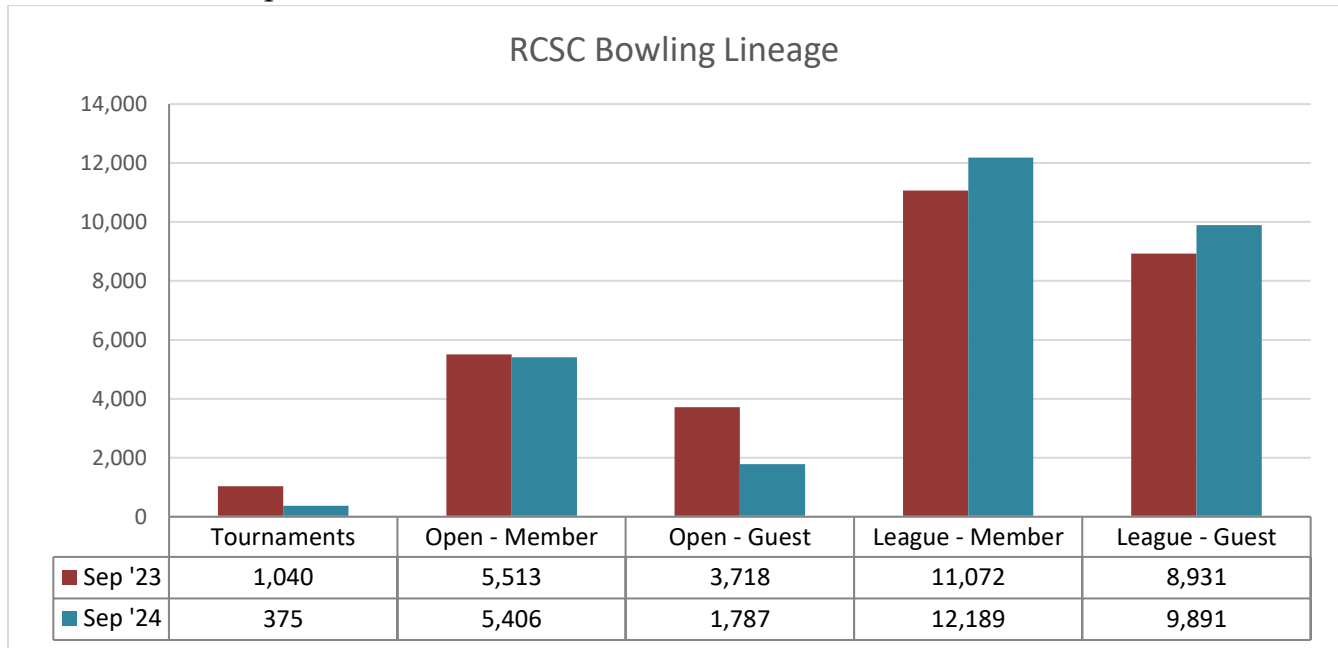
In September, the Information Technology team received 145 new service requests, and closed 144 requests by month end, leaving 3 tickets remaining open. On average, IT closed service requests in less than one day in September. Year to date, IT has opened 973 tickets and closed 980 tickets. IT is still on target to have active fiber connections to almost all RCSC facilities by end of year 2024. IT is working with Cox to have fiber connections at seven facilities by the end of October.

NON-GOLF:

Bowling:

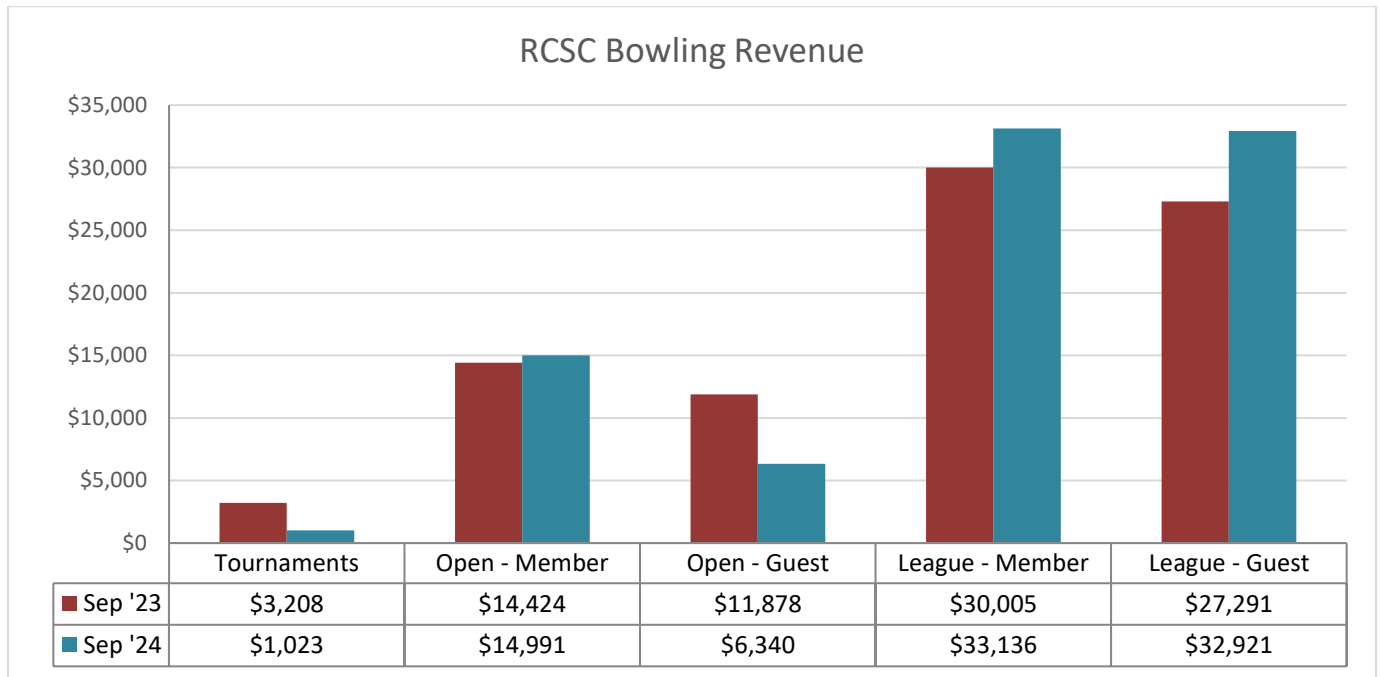
Bowling Lineage Report:

In September 2024, the total bowling lineage was 30,148, reflecting a 3% decrease from the 30,951 recorded in September 2023. Despite this monthly decline, the year-to-date lineage through September 2024 showed a slight increase, totaling 243,029 lines compared to 242,503 lines for the same period in 2023.



In September 2024, bowling revenue totaled \$88,411, marking a 2% increase over the \$86,806 revenue recorded in September 2023. Year-to-date revenue for 2024 stands at \$686,215, which is 4% higher than the total revenue through September 2023.

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ACTIVITIES:

- Reservations: Going well, handling ongoing requests; training in progress with new staff member.
- Process Improvements: Identifying changes to enhance reservation processes and prevent facility damage.
- Team Progress: Using Canva for floor plans, managing stage lighting cues, and trained on volunteer setups.
- Event Planning: Food trucks secured for the Veteran’s Concert and Holiday Celebration; planning for the Boat Parade Social Gathering.
- Ticket Sales: Over 100 tickets distributed for the Royal Autumn Ball. 395 season tickets sold on the first day of concert ticket sales.
- Volunteer Luncheon: Site walkthrough with a circus performer completed.
- Office Organization: Storage area cleared for ticket sales and volunteer organization.
- Facilities Update: Retractable clothing racks installed backstage.
- Scarecrow Event: Seven clubs registered for the event during the Halloween weekend concert.
- Music collection is growing as processing and previews continue.
- Volunteers are actively contributing music and support.
- Work orders are being fulfilled across RCSC.
- Digital Signal Processor installed at Fairway; speakers installed at Bell; amp replaced at Sundial.
- The radio station is operating smoothly, with ongoing education about future projects.
- Board Meeting video posted; drone footage of the Sun Bowl parking lot project is in progress.
- A two-camera shoot was completed for the first Sun Bowl concert.

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- Discussions are ongoing about relocating equipment to Sun Bowl and repositioning overhead lights.
- Media team is gathering photos and clips for A/V use, with a video for Fairway nearly finished.

WELCOME CENTER:

- The Welcome Center had 250 visitors in September. Their main reasons for visiting include:
 - *Picking up club brochures
 - *New member information
 - *Clubs and organizations dropping off brochures
 - *Looking for a map of Sun City
- One prospective buyer visited us from Florida expressing interest in moving to Sun City in about a year. He liked how close we are to Phoenix and expressed interest in bicycling and tennis.
- The Welcome Center answered 53 phone calls in September. 35 calls were from residents, 2 were realtors, and the rest were non-residents.

COMMUNICATIONS:

- Broken digital sign replaced at Marinette.
- Continued to make updates to the redesigned website based on user feedback.
- Contacted all clubs and updated their individual pages on the website.
- October SC Update - created content for the update and designed it for print and order.
- Set up Analytics and Search Engine Optimization correctly on website.
- Worked with Tallwave web vendor on the new website build.
- Updated digital signs.
- Sent 17 email blasts. Stats below. We sent 201,827 total emails to people. I'm pleased to see the Open Rate has gone up 16% and the Click Rate has gone up 20% from the previous month, while the Unsubscribe Rate is less than a tenth of a percent and has dropped 28% from the previous month.

CLUBS:

- The Club's office is working on validating the October club rosters. As rosters are validated, responses are being sent to club presidents. A reminder email will be sent to those clubs that have not submitted. Majority of clubs have seen membership growth, two dance clubs and the computer club saw the largest increase.
- September attendance was due on October 10, 2024.

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- 2025 club schedules were sent to each club president for club review. Club officers will be asked to contact the club office with any calendar changes. Also included in this email was the 2025 important date list.
- The Chartered Clubs Coordinator is connecting with clubs to verify the information in the Sun City Update and club web pages is correct.
- The club's office is participating in The Fountains Fall Community Fair and participated in the SCHOA New Resident Orientation.

Centers:

USAGE BY CENTER	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	TOTAL
BELL	23,335	27,732	30,512	31,182	23,151	27,686	30,566	28,751	26,550	249,465
FAIRWAY	18,994	18,620	19,439	19,861	20,064	21,688	21,689	18,859	21,779	180,993
LAKEVIEW	10,129	14,061	17,081	13,036	10,810	7,846	7,138	6,009	4,197	90,307
MOUNTAIN VIEW	4,003	4,090	6,545	6,203	4,758	3,481	3,520	3,540	3,403	39,543
MARINETTE	17,278	18,369	19,496	20,589	11,822	11,541	11,045	10,689	10,910	131,739
OAKMONT	3,119	3,302	4,365	4,182	4,767	4,406	4,635	3,761	835	33,372
SUNDIAL	19,239	17,703	17,990	13,470	11,804	9,319	6,690	11,841	13,897	121,953
TOTAL CENTER USAGE	96,097	103,877	115,428	108,523	87,176	85,967	85,283	83,450	81,571	847,372

USAGE SUMMARY BY ACTIVITY	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	TOTAL
BASKETBALL	31	61	106	31	12	18	34	34	32	359
BILLIARDS	2,795	2,607	2,733	2,441	2,188	2,111	2,286	2,150	1,907	21,218
BOATS, PEDAL & ROW	587	1,109	1,435	948	406	130	101	50	109	4,875
BOCCCE (open)	255	206	290	116	17	12	4	3	-	903
DARTS	783	833	928	750	616	643	661	552	585	6,351
FISHING	289	191	113	76	98	89	81	58	88	1,083
FITNESS	36,395	34,847	34,557	31,275	27,379	26,500	28,860	28,831	30,651	279,295
WHISPERBALL/RACQUETBALL	322	323	351	270	216	261	304	166	237	2,450
HORSESHOES	120	135	80	25	5	-	3	-	4	372
MINI GOLF	4,317	6,411	8,568	4,760	1,999	802	347	419	799	28,422
PICKLEBALL	10,362	11,240	11,265	13,007	4,897	3,484	2,837	2,891	3,510	63,493
POOLS, SWIMMING	12,704	14,306	20,065	20,085	21,190	20,981	20,189	20,315	14,814	164,649
POOLS, WALKING	3,126	5,466	6,920	11,128	9,581	13,495	13,549	11,977	12,091	87,333
POOLS, WARM WATER	2,296	2,493	2,086	2,029	1,488	1,133	591	1,358	1,703	15,177
SHUFFLEBOARD (open)	794	868	940	569	487	583	503	398	416	5,558
SPA, INDOOR	4,245	4,008	3,784	2,976	2,669	1,865	1,176	2,252	1,746	24,721
SPA, OUTDOOR	4,212	6,080	6,812	7,622	4,045	5,027	3,698	3,118	3,346	43,960
TABLE TENNIS	841	800	904	757	749	635	709	804	843	7,042
TENNIS COURTS	1,119	1,136	1,233	1,004	753	407	404	446	612	7,114
WALKING, INDOOR	5,579	4,676	4,682	4,810	5,448	6,577	8,093	6,718	6,468	53,051
WALKING, OUTDOOR	4,925	6,529	7,576	4,034	2,933	1,214	853	910	1,610	30,584
TOTAL CENTER USAGE	96,097	104,325	115,428	108,713	87,176	85,967	85,283	83,450	81,571	848,010

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FACILITIES:

Projects:

In-Work

Mountain View Recreation Center

- Presentation by triARC Architecture & Design to the Board of Directors, summarizing the site selection process and recommendation for the Performing Arts Center set for the Board of Director's meeting on 10/31/24

Recently Completed

Lakeview Recreation Center

- Completed installation of an ADA chair for the pool. Project was completed on 09/26/24 at a cost of \$11,458. Contractor: 101 Mobility
- Completed replacement of Kool Deck. Project was completed on 09/21/24 at a cost of \$81,392. Contractor: Above and Beyond Pool Remodeling

Sun Bowl Amphitheater

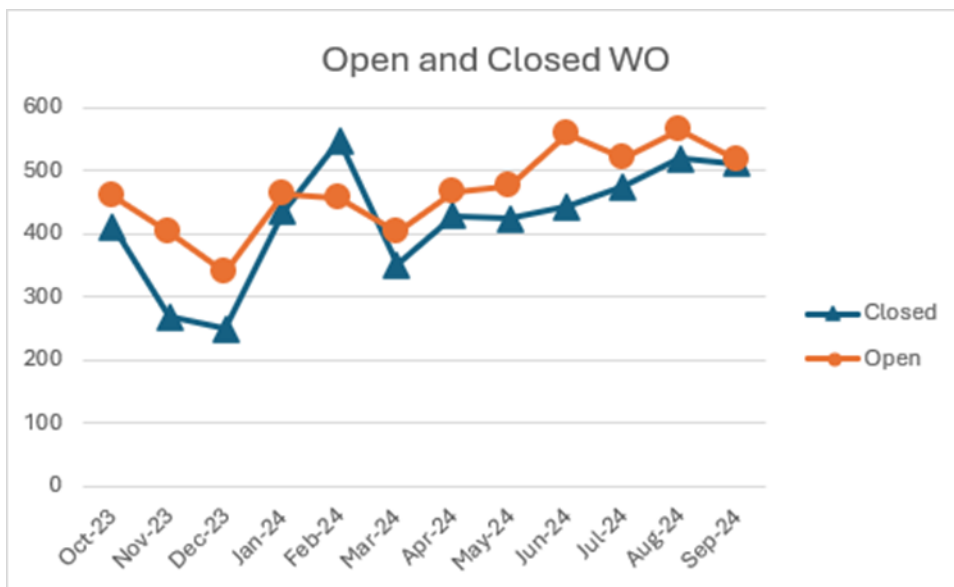
- Completed replacement of the parking lot. Project was completed on 09/25/24 at a cost of \$573,331. Contractor: Sunland Asphalt

Sun Dial Recreation Center

- Completed replacement of the playing surface for the bocce ball courts. Project was completed on 09/30/24 at a cost of \$136,904. Contractor: Elite Sports

WORK ORDERS (Skilled Trades, Repair and Maintenance):

The Facilities Department opened 518 new work orders and completed 511 work orders in the month of September. The average time to close a work order in September 2024 was 6.9 days. In 2024, the Facilities Department completed 3982 work orders through September.





LAWN BOWL AND GROUNDS:

SITE	SPEED	MOISTURE
BELL NORTH	11.0	15.2
BELL SOUTH	11.3	15.5
LAKEVIEW EAST	11.8	15.9
LAKEVIEW WEST	11.5	16.0
OAKMONT	10.9	16.0
MOUNTAIN VIEW	10.5	12.7

Mowing rolling and cleaning ditches at lawn bowls three times a week.

Other Grounds Activities –

- Prepared the Softball Field Grand Opening. Over seeded the field and put in a new home plate.
- Over seeded at Lakeview Center, and put in a curbing water barrier to prevent run-off to the parking lot
- Trimming bushes and trees at all centers
- Mowing at Sun Bowl once a week

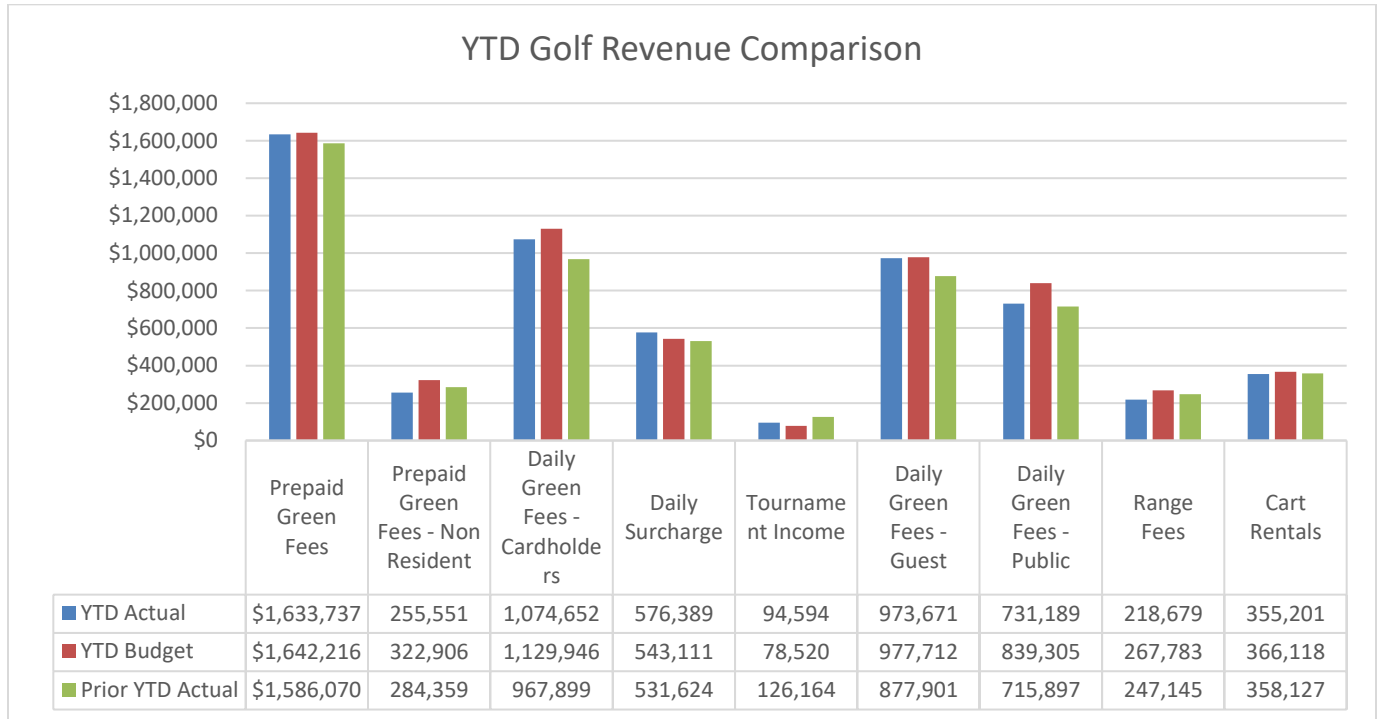
GOLF:

Pro Shops:

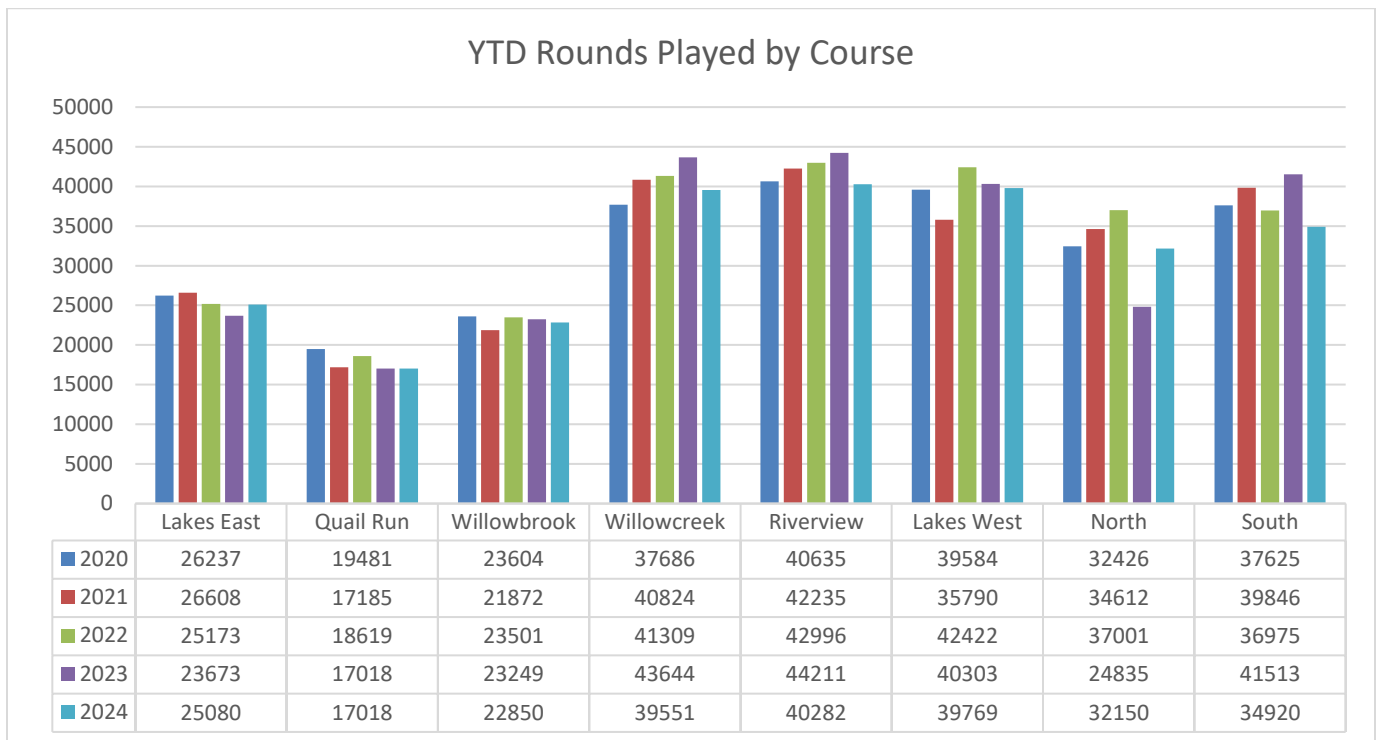
On December 13th we will be hosting a fundraising tournament to raise money for the Sun City Foundation. The format will be Beat the Pro(s), which will be Brian Duthu (PGA) and Chris Linam (Pro Shop Manager) and will be made up of two person teams. Teams that beat the Scramble score of the Pros will equally share the prize pool. The entry fee will be \$45, and the event will be held at the South Golf Course. In addition to bragging rights for beating the pro, there will also be a chance at a Pebble Beach Vacation.

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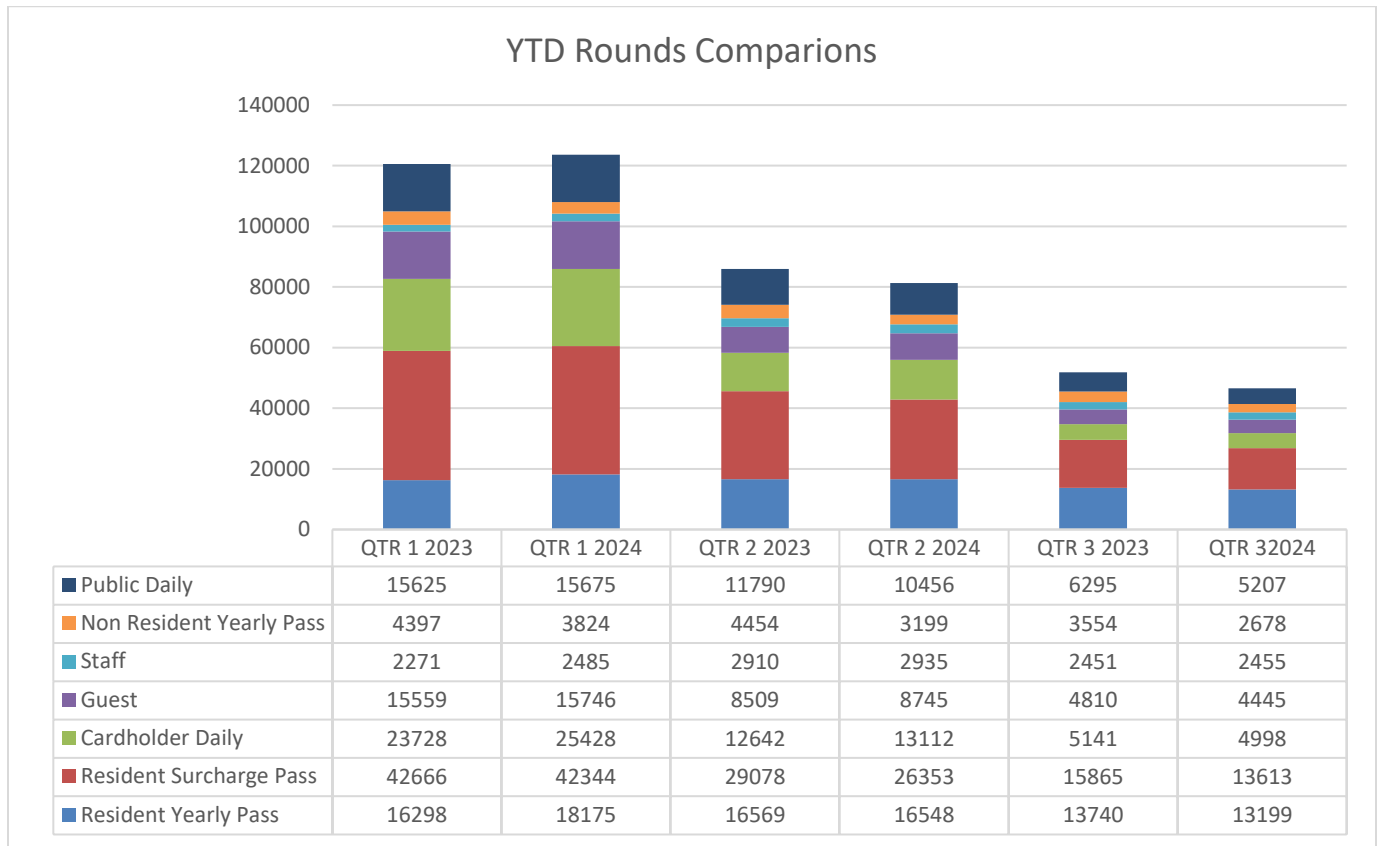
Registration for Get Golf Ready classes is underway, the cost of the classes is \$150. The \$150 fee includes four days of instruction as part of group of 8 students or less, as well as a 5th day of on-course instruction. The program covers swing fundamentals as well as golf etiquette and an introduction to golf rules. The program is part of a national initiative of the PGA of America to grow the game of golf. Class schedules are posted on the RCSC website when they are finalized.



- **Positive Trends:** Daily Surcharge, Cardholders, and Guest fees show improvements compared to the prior year.
- **Underperformers:** Non-Resident Prepaid Green Fees and Merchandise categories are under budget and have decreased from the prior year.
- **Tournaments:** Tournament Income has exceeded the budget but is lower than last year.

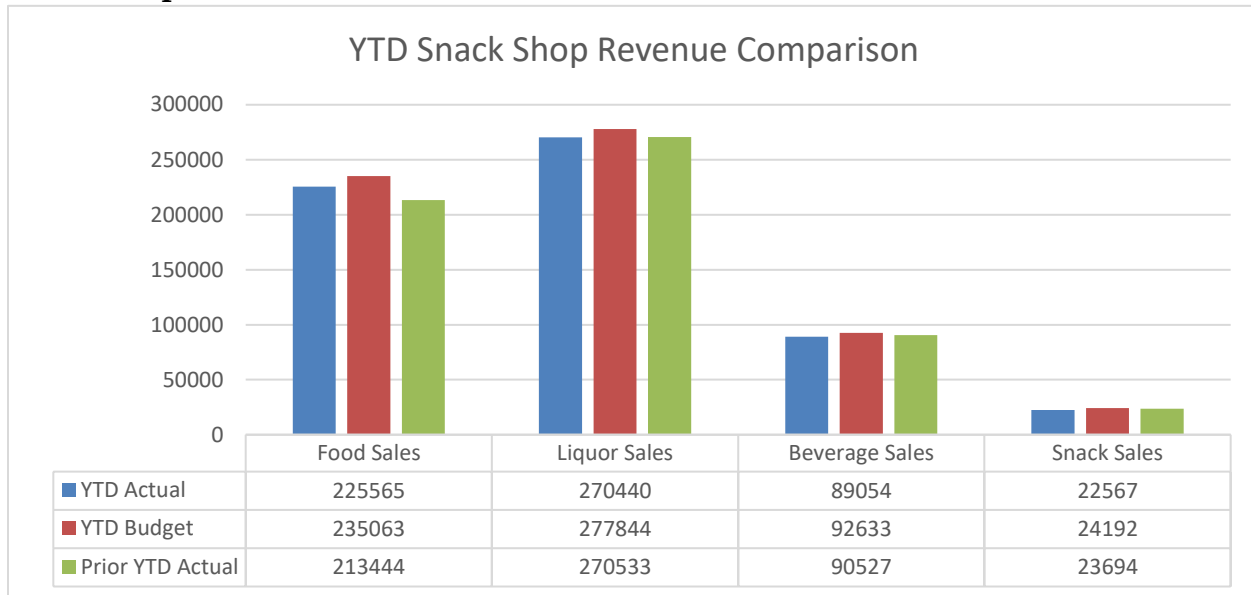


- **Consistent Declines:**
 - **Lakes East** and **Quail Run** show noticeable declines from 2020 to 2024.
- **Growth:**
 - **Willowcreek** has generally increased, reaching its peak in 2023 before declining slightly in 2024.
 - **Lakes West** also saw a small increase over the same period.
- **Stable Performance:**
 - **Riverview** and **Willowbrook** have remained relatively stable with minor fluctuations.



- 19.05% of total rounds played by Resident Yearly passholders, up from 18.04% last year
- 32.71% of total rounds played by Resident Surcharge passholders, up from 33.91% last year
- 17.30% of total rounds played by Resident Cardholders, up from 16.07% last year
- 3.86% of total rounds played by Non-Resident Yearly passholders, down from 4.80% last year
- 12.45% of total rounds played by Public Golfers, down from 13.05% last year
- 11.50% of total rounds played by Guests, up from 11.18% last year
- 3.13% of total rounds played by Staff, up from 2.95% last year

Snack Shops:



- **Positive Trends:**
 - **Food Sales** exceeded prior year's figures, showing growth despite being under budget.
- **Underperformers:**
 - **Liquor Sales** and **Beverage Sales** are below budget and lower than the prior year.
- **Snack Sales** show a slight decrease compared to both budget and prior year.
- **Overall Performance:**
 - Total income is down from the budget but up slightly from the prior year, indicating some resilience despite challenges.

Golf Courses

All major summer agronomic procedures have been completed and overseeding began on September 23, for Lakes West, North, Willowbrook and Riverview. These courses reopened on October 11 with cart path restrictions in place until November 1. The remaining courses closed October 14 and reopen November 1 with cart path restrictions in place until November 22.

As we did last year we are using perennial rye grass throughout our courses. Perennial rye grass provides optimal playing conditions tee-to-green, as it provides a denser playing surface than annual rye grass and provides a much higher aesthetic look. We are continuing with our expanded overseeding this year to provide better playing conditions for those golfers that find themselves wayward of the putting surface on their approach shots.