

RCSC Management Report: June 27, 2024

FINANCE:

Financials:

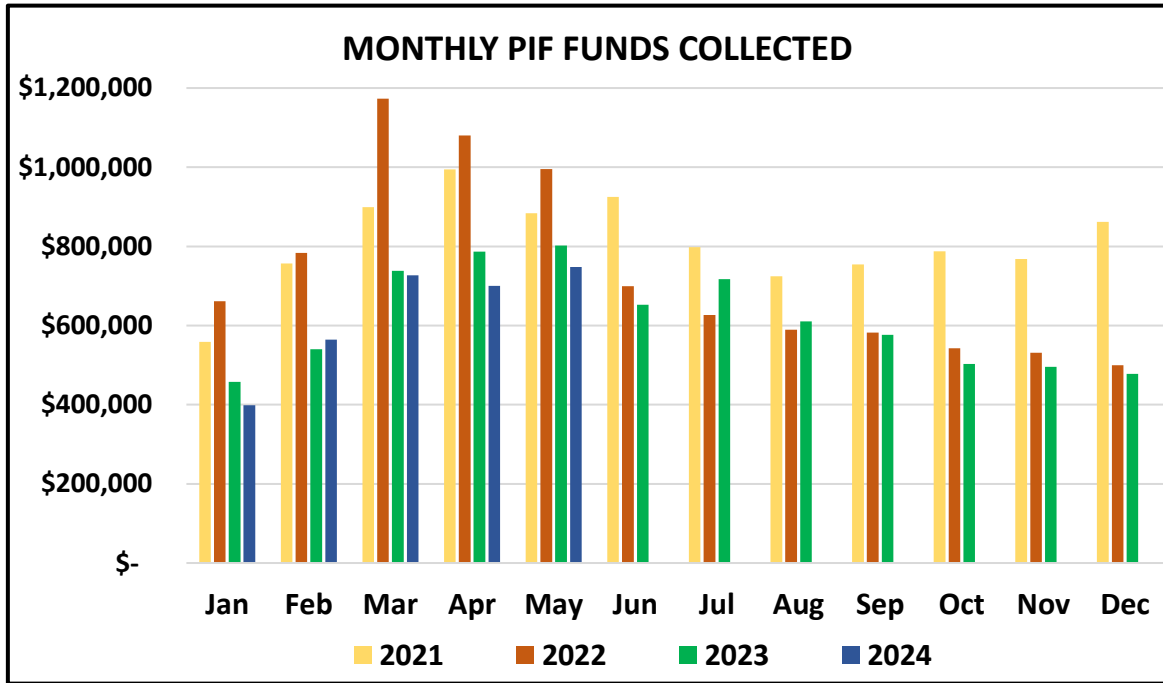
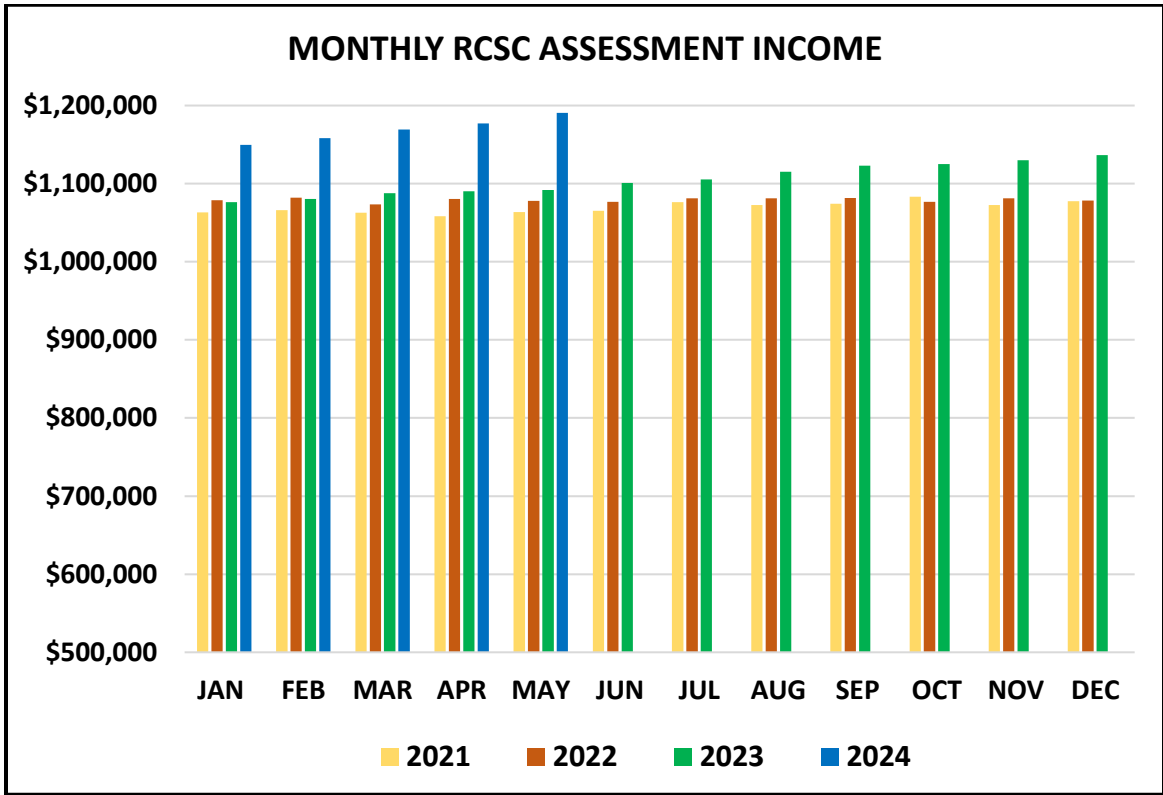
The Recreation Centers of Sun City, Inc. (RCSC) ended May within its operating and capital budget year to date. All Divisions except Golf and Facilities have met or exceeded their net operating budget projections year to date. Facilities was (\$36.4k) unfavorable year-to-date due primarily to \$86k of unbudgeted expense for tree trimming and removal at the centers. Golf has generated a net operating excess of \$970.2k year-to-date, but was (\$450.6k) unfavorable to budget due to Daily Public, Cardholder, and Guest Green Fees being below budget by (\$77.2k), (\$38.1k), and (\$24.5k) respectively, Non-Resident Pass fees (\$42.8k) unfavorable to budget, and Tree Trimming being (\$119.2k) unfavorable due to an initiative to trim/remove dead and dying trees from the golf courses. Operating Income for May totaled \$2,012k and was (\$34.5k) unfavorable to budget due to Public Daily Greens Fees and Range Fees being below budget by (\$13.0k) and (\$9.9k) respectively. Operating Expenses for the month were \$2,561k and (\$91.0k) unfavorable to budget due primarily to tree trimming expenses as mentioned above. Year to date Net Operating Excess was \$1,580.1k and favorable to budget by \$121.8k (7.7%). This favorable year to date Operating Excess was due primarily to Wages being favorable to budget by \$210.1k, and General Operating Expenses being favorable by \$199.3k due to the timing of Equipment, Furniture, and Chemicals purchases.

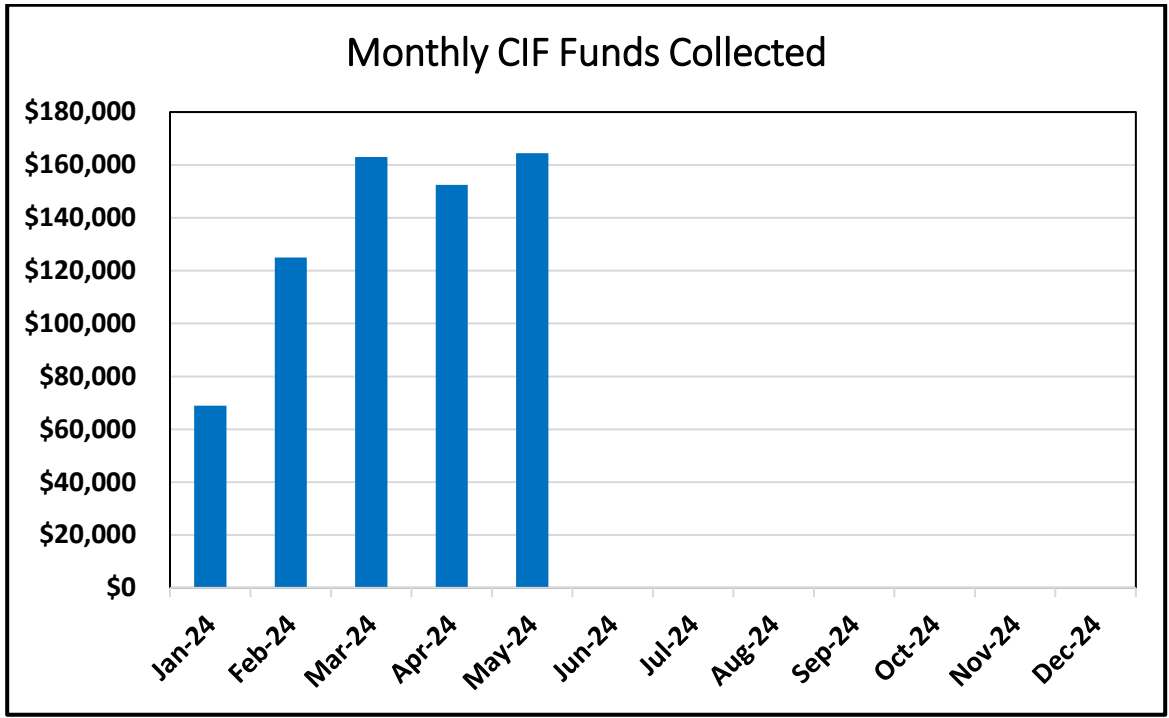
Cardholder Services:

Payments on past due assessments in May were 13.3% of past due balances. Overall accounts receivable increased in the month by 0.2% and are up 5.9% from the end of 2023. Overall accounts receivable for past due balances increased in May by 4.2%. April assessments went 30 days past due at a rate of 5.4% and March assessments went 60 days past due at a rate of 2.5%.

Payments from third-party collections firms totaled \$49,457 in May and totaled \$136,724 year to date. May payments made through the online Web Portal totaled \$262,664 from 483 property owners. Year to date online portal payments total \$1,349,014 from 2,467 property owners.

In May, property transfer balances decreased by (0.4%). Outstanding balances related to property transfers represent 53% of all receivables and 53% of past due balances. May trustee sale notices on Sun City AZ properties increased from 25 to 28, and properties owned by lending institutions remained at 1.





Purchasing:

In May, the Purchasing Department executed one Master Services agreement and drafted a second that is with the supplier. Purchasing has begun creating a master log of all RCSC contracts and agreements to better track active and expiring agreements. Purchasing requested and obtained two additional responses to the RCSC Website RFP and is reviewing these additional responses. To date, 8 of the 13 vehicles ordered have been received, and dash cams/telematics are being installed for safety purposes. Lastly, Purchasing has ordered new pool furniture for Oakmont, and ordered fitness equipment as part of a complete renovation of the Oakmont Fitness Center.

Safety & Compliance:

In May 2024, the Safety Department successfully completed the installation of security cameras and access control for the Softball Club, and initiated ongoing heat safety measures for all RCSC staff. A new internal Safety Committee was established, with training scheduled for July and duties commencing in August. The department handled 53 incident reports and saw positive adoption of the new Customer Engagement Platform, which replaced traditional paper comment cards. We will provide more information on the forthcoming all-in-one badge system for access control at RCSC facilities. Additionally, information regarding the Safety Committee, comprised of RCSC employees, will be shared in June's report.

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Comment Cards responded to in May: 38. Year-to-Date: 821
Incident Reports investigated in May: 53. Year-to-Date: 211.

Human Resources:

Human Resources opened 20 requisitions during the month of May and filled 18 requisitions, ending the month with 7 open positions. Year-to-date, HR has opened 83 requisitions and filled 81 open positions. The time-to fill requisition KPI in May was 12 days. The May 2024 Turnover rate was 3.2%, and the year-to-date annualized Turnover was 36.6%. This rate slightly exceeds the 35.4% year-to-date Turnover rate as of May of 2023. HR continued to work with Paylocity to fix the integration between our payroll system with several benefits vendors' systems and submitted the 401(k) non-discrimination test data to Fidelity.

Information Technology:

In May, the Information Technology team received 125 new service requests, and closed 130 requests by month end, leaving 7 tickets remaining open. On average, IT closed service requests in less than one day in May. Year to date, IT has opened 527 tickets, and closed 530 tickets.

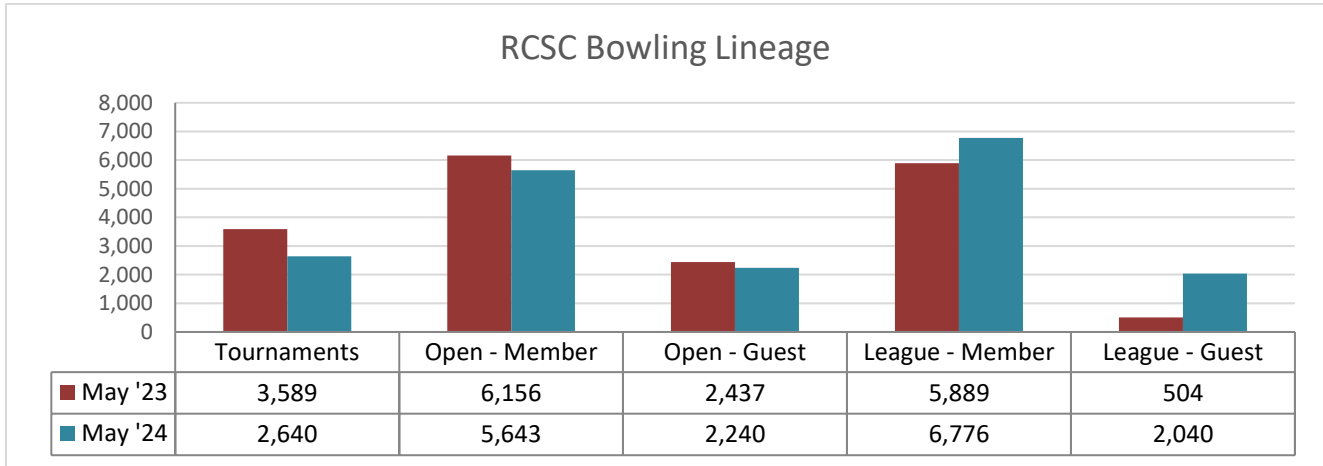
IT negotiated with Cox to waive over \$350,000 in installation costs to install fiber to all recreation centers and golf courses. The estimated time to complete this installation is the end of September of 2024. IT has updated the South Pro-Shop and Mountain View Rec Center to the SDWAN networking service. IT completed the rewiring for the Fairway F/A station move and completed installation of the guest pass/online comment system kiosks for Fairway, Bell and Cardholder Services. The rewiring of Bell is substantially finished, with completion scheduled for June. This project will add connections for better Wi-Fi coverage and replace the radio device that provides mini golf with its very spotty IT connection. IT finished wiring the clubhouse at the softball field for Wi-Fi and security hardware.

With our IT Manager retiring this month, we are taking this opportunity to find a new leader who will guide our IT department into the future. We extend our heartfelt thanks to Randy for his dedicated support and wish him all the best in his retirement.

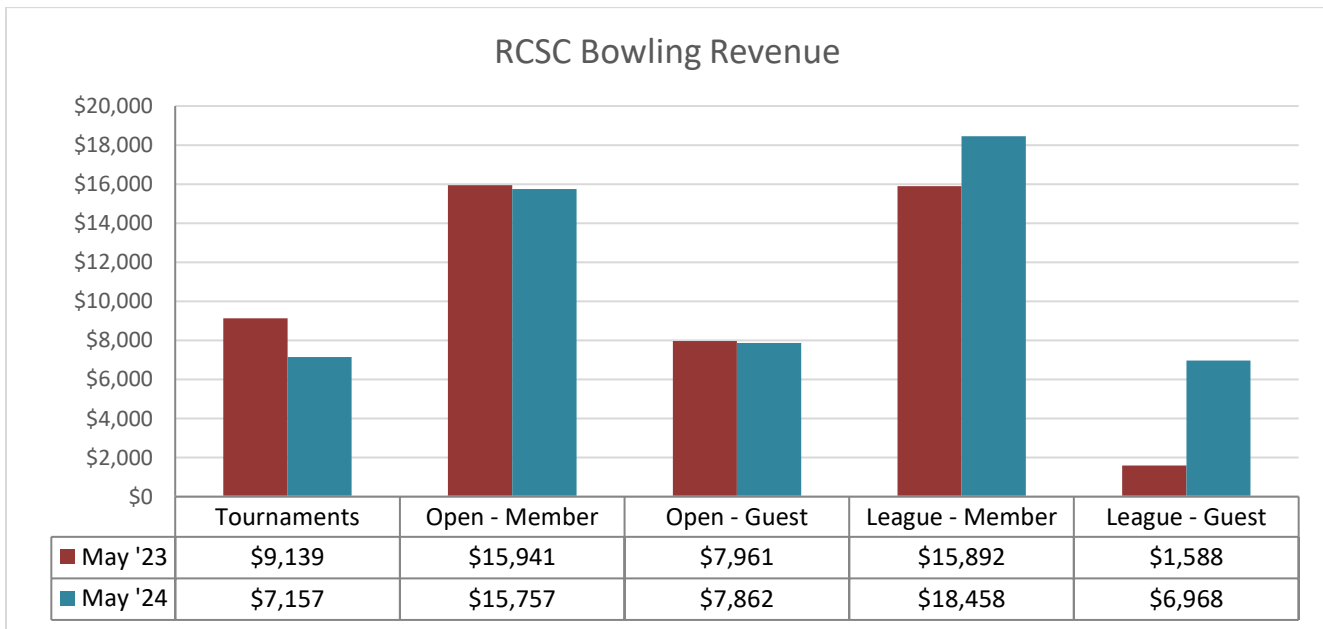
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NON-GOLF:

Bowling:



Bowling Revenue in May 2024 totaled \$56,203 which was 11% greater than the May 2023 revenue of \$50,521. Year to date, 2024 Bowling revenue is \$428,138, or 8% greater than the total revenue through May of 2023.



Activities:

A full schedule of summer events is currently under way. Both the Game Show night, the Jukebox 6 concert, and the Food Truck Festival drew several hundred attendees.

- Game Show Attendees - 212
- Concert Attendees - Approximately 650
- Food Truck Attendees - 426 Meals Sold

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Plans for the July 4th event are in full swing with some changes to the ceremony including new video compilations.

- Board Member Connie Jo Richtmyre will be reading the history of the SC Liberty Bell
- Uncle Sam reprises his same role, speeches and leader of bell ringing
- The Desert Airs have committed to a Barbershop Quartet for songs to be sung during the presentation

Communications:

The Welcome Center had 431 visitors in the month of May. All but 9 were current residents. The number one reason for their visit was to pick up club brochures. The number two reason was to pick up day trip/bus trip info, and the third and fourth were for directions assistance and because they had family or friends visiting.

Arizona was the state ranked highest among the prospective buyers/renters' home state, followed by New Mexico. Most of the prospective buyers said they heard from us from either friends and family or our website; half were in the 60-69 age range; most said they are moving in 1 year or less; 78% will be retired when they arrive. Woodworking and walking were tied for the top activity that prospective buyers are interested in, followed by bicycling, concerts, and dogs.

The Welcome Center also answered 98 phone calls in May. 61 calls were from residents; 37 were non-residents.

Clubs:

90% of the May Club Member attendance documents have been received by the Club's office. The 2025 room reservations are being entered into the reservation system that will identify conflicts for review. Budget requests have been received; they will be reviewed for inclusion in the 2025 operating budget. A rotating schedule for 2024-2025 annual club articles for the Sun City Update has been shared with the club presidents. Club room inventories have been received and the master sheets are being updated with any noted changes/additions.

Centers:

USAGE BY CENTER	JAN	FEB	MARCH	APRIL	MAY	YTD
BELL	23,335	27,732	30,512	31,182	23,151	135,912
FAIRWAY	18,994	18,620	19,439	19,861	20,064	96,978
LAKEVIEW	10,129	14,061	17,081	13,036	10,810	65,117
MOUNTAIN VIEW	4,003	4,090	6,545	6,203	4,758	25,599
MARINETTE	17,278	18,369	19,496	20,589	11,822	87,554
OAKMONT	3,119	3,302	4,365	4,182	4,767	19,735
SUNDIAL	19,239	17,703	17,990	13,470	11,804	80,206
TOTAL CENTER USAGE	96,097	103,877	115,428	108,523	87,176	511,101

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USAGE SUMMARY BY ACTIVITY						
	JAN	FEB	MARCH	APRIL	MAY	YTD
BASKETBALL	31	61	106	31	12	241
BILLIARDS	2,795	2,607	2,733	2,441	2,188	12,764
BOATS, PEDAL & ROW	587	1,109	1,435	948	406	4,485
BOCCE (open)	255	206	290	116	17	884
DARTS	783	833	928	750	616	3,910
FISHING	289	191	113	76	98	767
FITNESS	36,395	34,847	34,557	31,275	27,379	164,453
WHISPERBALL/RACQUET	322	323	351	270	216	1,482
HORSESHOES	120	135	80	25	5	365
MINI GOLF	4,317	6,411	8,568	4,760	1,999	26,055
PICKLEBALL	10,362	11,240	11,265	13,007	4,897	50,771
POOLS, SWIMMING	12,704	14,306	20,065	20,085	21,190	88,350
POOLS, WALKING	3,126	5,466	6,920	11,128	9,581	36,221
POOLS, WARM WATER	2,296	2,493	2,086	2,029	1,488	10,392
SHUFFLEBOARD (open)	794	868	940	569	487	3,658
SPA, INDOOR	4,245	4,008	3,784	2,976	2,669	17,682
SPA, OUTDOOR	4,212	6,080	6,812	7,622	4,045	28,771
TABLE TENNIS	841	800	904	757	749	4,051
TENNIS COURTS	1,119	1,136	1,233	1,004	753	5,245
WALKING, INDOOR	5,579	4,676	4,682	4,810	5,448	25,195
WALKING, OUTDOOR	4,925	6,529	7,576	4,034	2,933	25,997
TOTAL CENTER USAGE	96,097	104,325	115,428	108,713	87,176	511,739

FACILITIES:

Projects:

In Process:

Mountain View Rec Center Phases 1 and 2 (PIF) Status: Green

- RFP for architectural services yielded 4 proposals, 05/15/24
- Selected triARC Architecture & Design; negotiating pre-design contract

Sun Bowl Softball Field Improvements (PIF) Status: Green

- Budget: \$1.38M. Total Cost to date: \$1.15M
- Project commenced 11/27/23
- Contractor is Robert E Porter Construction
- Project approved by Maricopa County with a Certificate of Occupancy on May 20
- Working to complete door lock, batting cage & landscaping items. Club has use of the facility.

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Recently Completed

Bell Recreation Center

- Replacement of double sink & faucet in the Lawn Bowl Club room. Project was completed on June 5 at a cost of \$ 1,654. Contractor: Sunland Plumbing
- Replaced parking lot lights. Project was completed on May 22 at a cost of \$28,140. Contractor: Accel Electric
- Re-roll patching of Pool Deck. Project was completed on May 28 at a cost of \$35,908. Contractor: Rubber Stone
- Refinishing of the Social Hall Room floors. Project was completed on May 24 at a cost of \$ 10,032. Contractor: Enmar Company

Lakeview Recreation Center

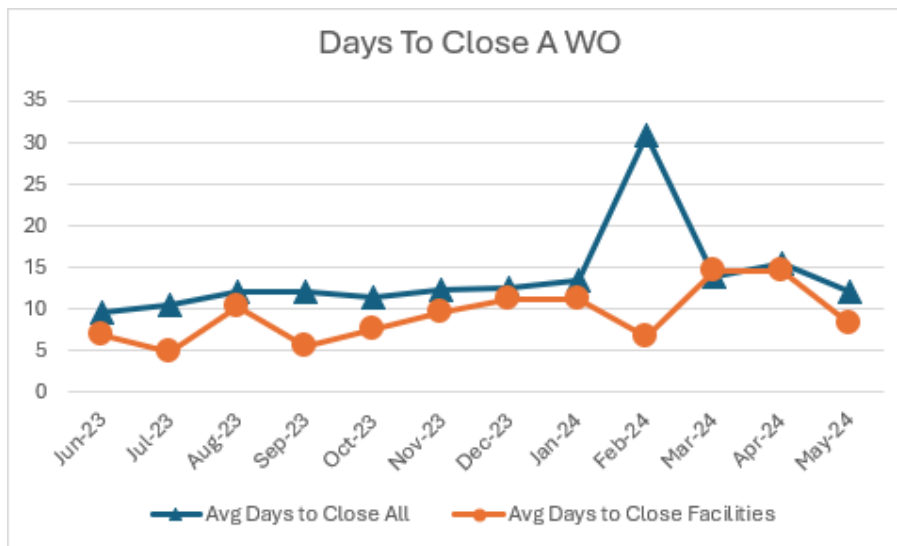
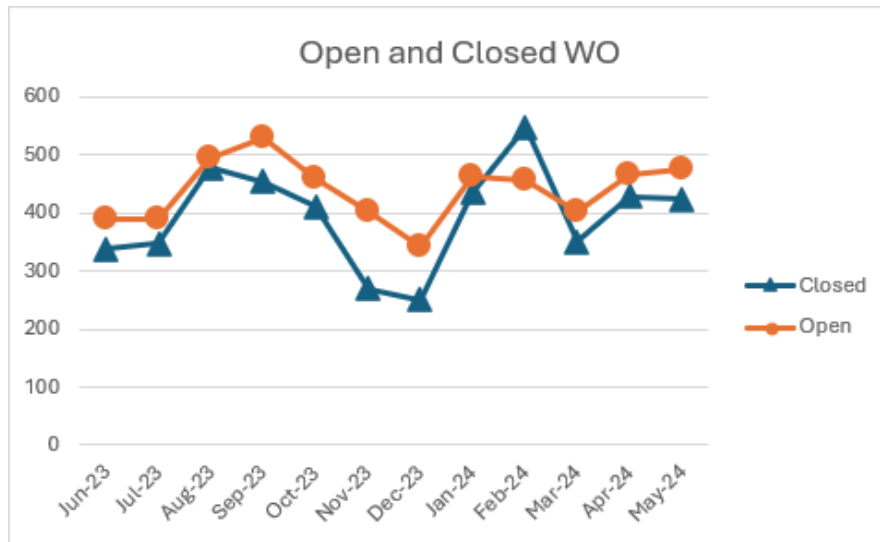
- Sewer lines relined at Lakeview Lanes Bowling Alley. Project was completed on June 3 at a cost of \$23,500. Contractor: Sunland Plumbing Company

Marinette Recreation Center

- Replaced Pickleball Courts lighting with LED efficient sports lighting. Project was completed on June 10 at a cost of \$ 96,095. Contractor: Accel Electric and Musco Sports Lighting
- Replaced Pool Pump/VFD. Project was completed on May 16 at a cost of \$25,694. Contractors: Accel Electric and CPR pools
- Replaced Spa Pump/VFD. Project was completed on May 16 at a cost of \$23,467. Contractors: Accel Electric and CPR pools

WORK ORDERS (Skilled Trades, Repair and Maintenance):

The Facilities Department had 96 open work orders as of June 1 and completed 424 work orders in May 2024. The average time to close a work order in May 2024 was 12.2 days. The Facilities Department has completed 2,187 work orders as of June 1.



LAWN BOWL AND GROUNDS:

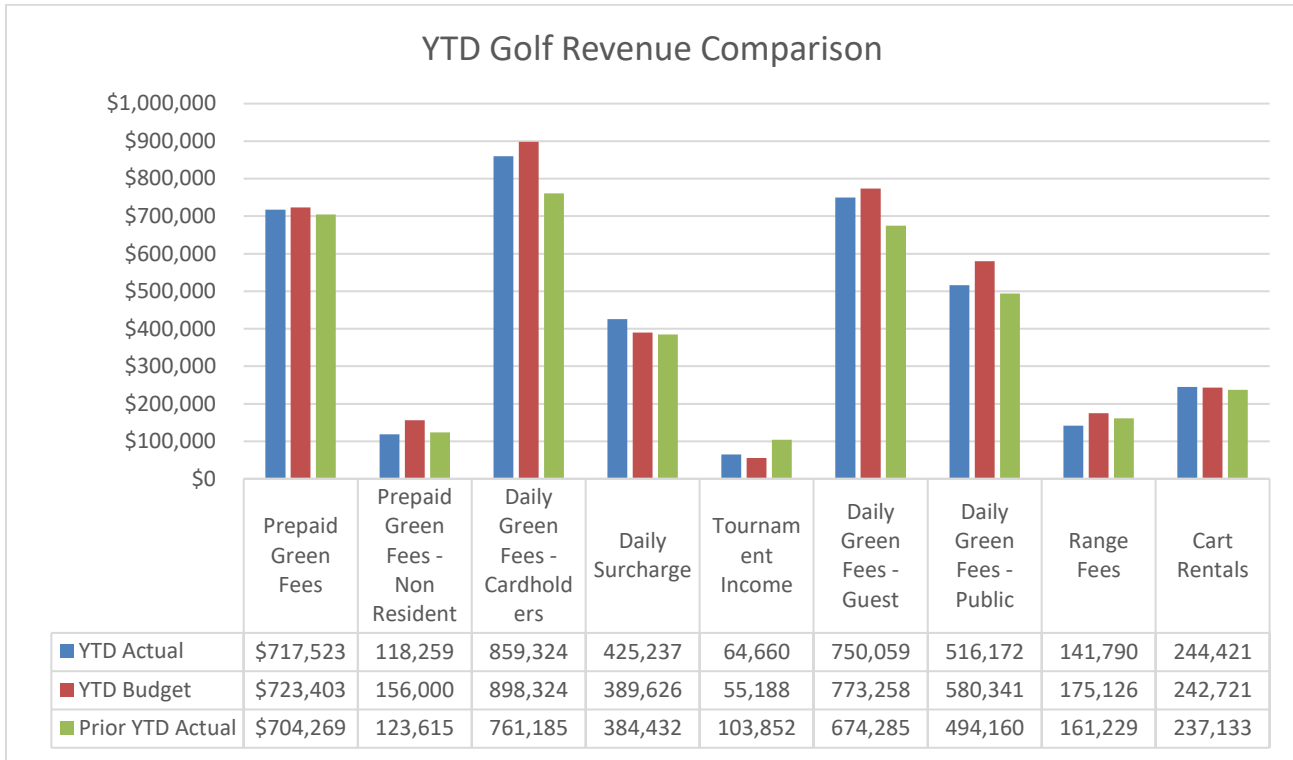
Lawn Bowls - Green speeds ranged from a low of 9.8 seconds at Mountain View to a high of 11.2 seconds at Bell North. Moisture readings ranged from a low of 11.5 at Oakmont to a high of 15.0 at Lakeview East. Mowing three times a week at .120. Rolling three times a week. Cleaning ditches three times a week. Pulled 1/2 cores and leveled all greens. Fertilized all greens with 10-4-16.

Grounds - Trimmed around centers taking out all dead brushes and trees. Finished landscaping ballpark and around walking track. A new irrigation booster pump for the ballpark is operational. This pump has been requested for many years to properly water the softball field.

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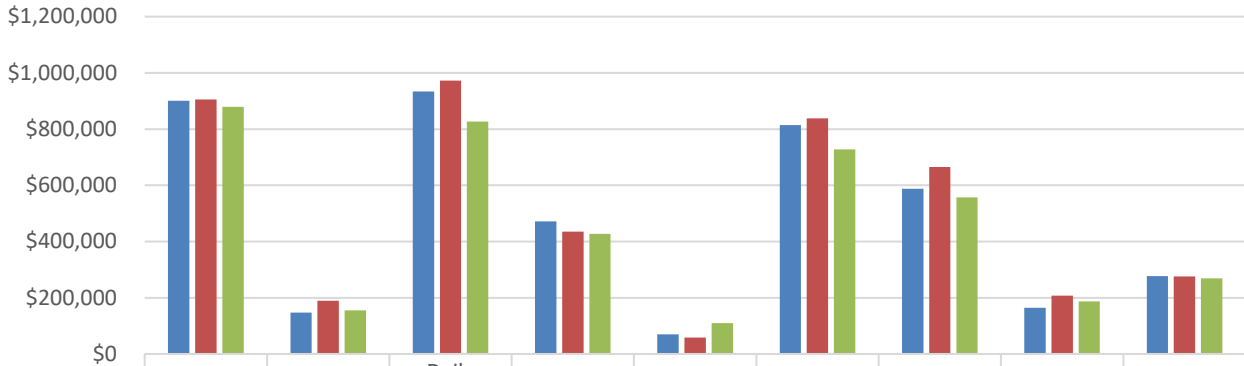
GOLF:

Pro Shops:



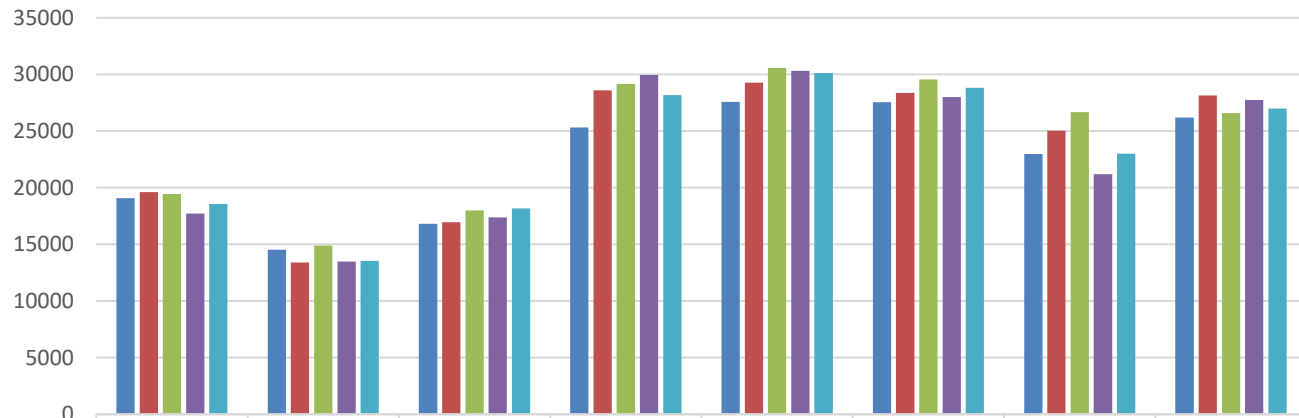
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YTD Golf Revenue Comparison

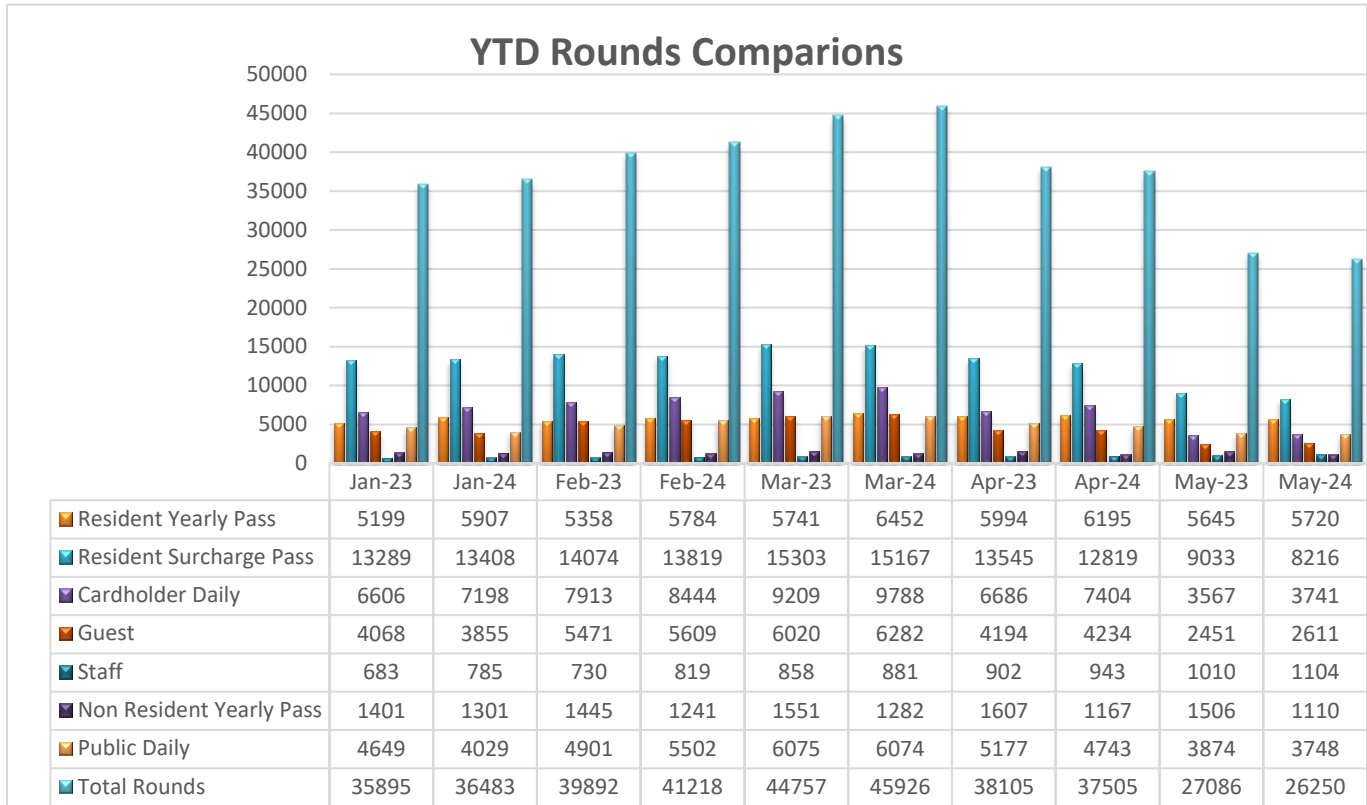


	Prepaid Green Fees	Prepaid Green Fees - Non Resident	Daily Green Fees - Cardholders	Daily Surcharge	Tournament Income	Daily Green Fees - Guest	Daily Green Fees - Public	Range Fees	Cart Rentals
■ YTD Actual	\$901,272	146,702	934,057	471,560	70,113	813,839	588,267	164,003	277,179
■ YTD Budget	\$905,612	189,500	972,175	435,072	58,827	838,332	665,502	207,272	276,018
■ Prior YTD Actual	\$879,305	155,426	826,415	427,243	109,485	728,165	557,378	186,662	269,186

YTD Rounds Played by Course



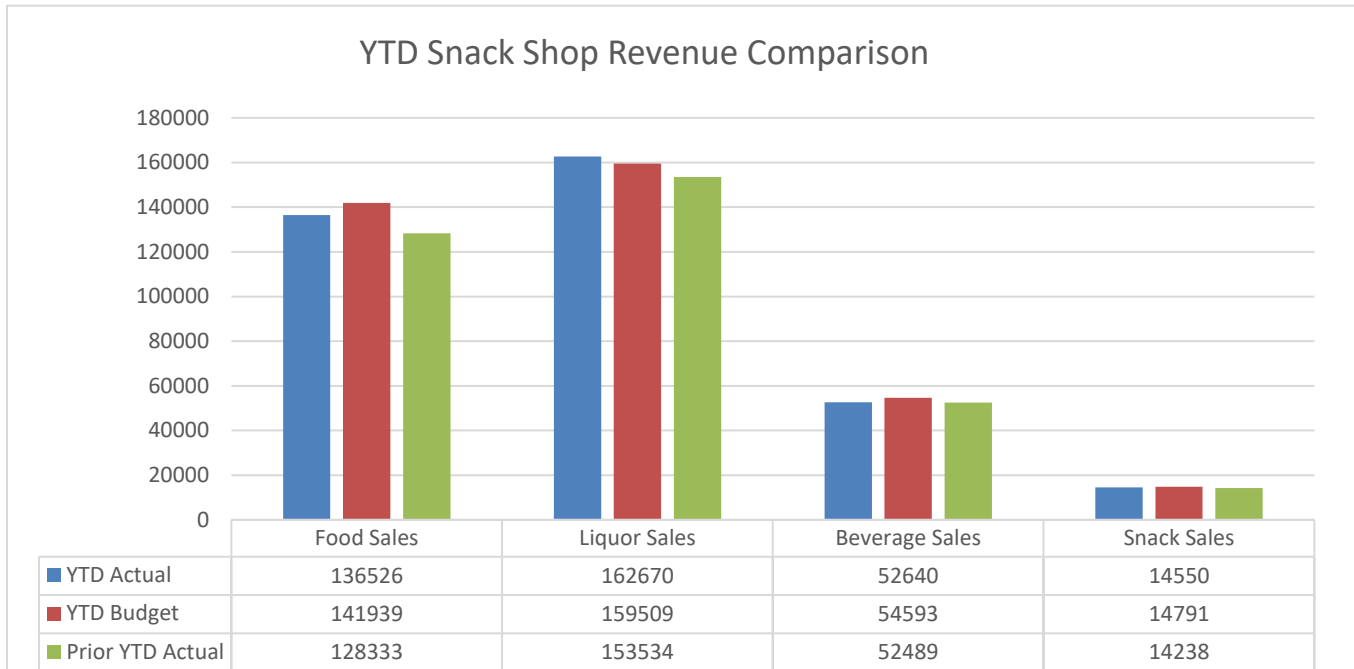
	Lakes East	Quail Run	Willowbrook	Willowcreek	Riverview	Lakes West	North	South
■ 2020	19070	14522	16817	25310	27568	27564	22967	26187
■ 2021	19627	13412	16946	28591	29277	28359	25050	28159
■ 2022	19443	14909	18000	29153	30567	29557	26683	26599
■ 2023	17731	13475	17381	29956	30330	28014	21202	27740
■ 2024	18561	13532	18166	28168	30126	28830	23016	26983



- 16.04% of total rounds played by Resident Yearly passholders, up from 15.04% last year
- 33.85% of total rounds played by Resident Surcharge passholders, down from 35.13% last year
- 19.52% of total rounds played by Resident Cardholders, up from 18.30% last year
- 3.26% of total rounds played by Non-Resident Yearly passholders, down from 4.04% last year
- 12.86% of total rounds played by Public Golfers, down from 13.29% last year
- 12.06% of total rounds played by Guests, up from 11.95% last year
- 2.42% of total rounds played by Staff, up from 2.25% last year

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Snack Shops:



Golf Courses:

On May 16, RCSC conducted the annual USGA visit with Brian Whitlark from the USGA Green Section. Mr. Whitlark is a professional soil scientist and holds a B.S. and M.S. degrees from the Department of Soil, Water and Environmental Science. During the visit we spent time on all RCSC golf courses. Highlights of the visit were a review of the Tif Tuf conversion of the front-nine fairways at North and a robust discussion of the upcoming Quail restoration project. General topics of discussion were weed control, putting green management, bunker sand and equipment service life. The full report can be on the RCSC website (www.suncityaz.org), on the golf page and under Resources.

We recently made the decision to change the aerification schedule to move the South course up in the rotation. The South transitioned from the winter rye overseed to the summer Bermuda base much harder than the other courses. There were several factors that led to the current conditions, not the least of which was driven by errors in the management of the irrigation system. This error has been corrected and we are taking steps to drive bermuda growth, which include the use of a pull behind tine rake to break up the surface of the turf, normal fertilizer applications and daily spot watering. Moving up the aerification will provide more aggressive disruption of the turf surface, allowing better penetration of air and water to the root zone, as well as giving additional time for the staff to add water throughout the day, without disruption in play.

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We respectfully remind golfers to not enter our neighbor's property when retrieving errant golf balls, unless you have been given explicit permission to do so. Entering another property without permission is considered trespassing. While it may seem harmless there are many homeowners that feel violated when someone enters their property to retrieve a golf ball. We ask for your cooperation in respecting the property of others.

Superintendent Update (Chuck Hyppa - Area Superintendent):

For the most part I am encouraged by our transition from winter ryegrass back to bermuda, with the South course being the outlier. As we will continue to see temps in and around 110 daily it is paramount, we continue to aerify weak areas and promote growth via fertilizer and water. Although some areas throughout our courses seem a bit further behind others, we still have plenty of time this Summer to recover. I always like to stress patience to the summer golfers. I know it can be frustrating to draw a bad lie due to bare ground, but please know we are being diligent in our effort to recover these areas as quickly as possible. I am optimistic that the extended closure time for each course will be very beneficial in our recovery. Even just the slightest increase in humidity will get the bermuda filling in nicely. Our maintenance teams are working very hard to provide optimal conditions each day. We appreciate your continued support and look forward to an enjoyable Summer.