

RCSC Management Report: August 30, 2024

FINANCE:

Financials:

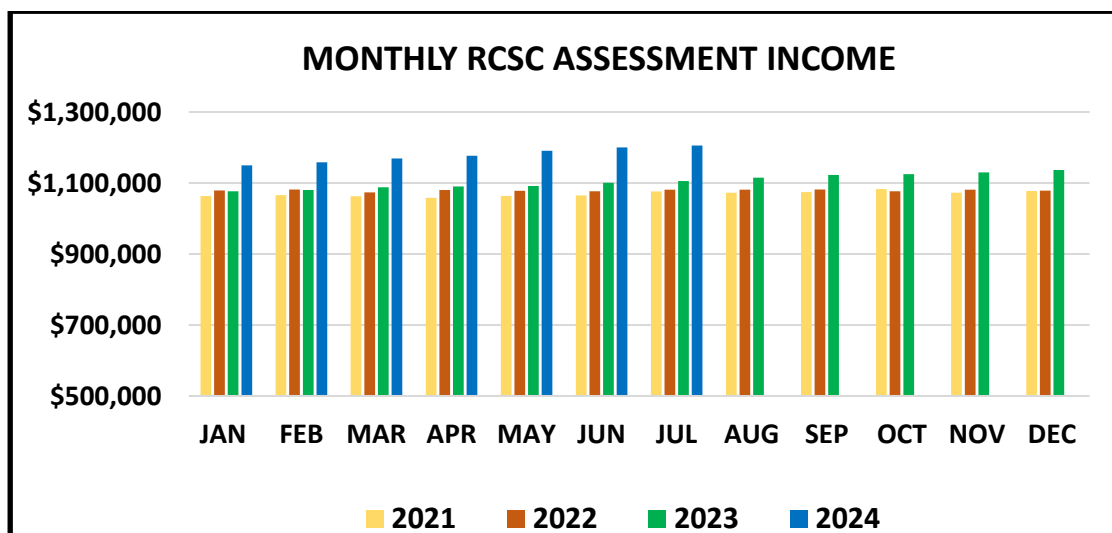
The Recreation Centers of Sun City, Inc. (RCSC) ended July within its capital budget year-to-date. RCSC ended the month of July with a Net Excess from Operations of \$1,200k but this Excess was (\$66.1k) below budget. All Divisions except Golf have met or exceeded their net operating budget projections year-to-date. Golf has generated a year-to-date net operating excess of \$292k but is (\$691k) unfavorable to budget. Golf Revenue is (\$254.2k) under budget due to Daily Public and Cardholder Green Fees below budget by (\$98.4k) and (\$48.7k), respectively, and Non-Resident Pass fees (\$51.3k) below budget. Golf Operating Expenses were (\$410.6k) over budget due to Tree Trimming being (\$207.5k) unfavorable, Wages and Benefits (\$73.5k) unfavorable, and Rolling Stock / Sprinkler Repair Parts being (\$41.2k) and (\$36.8k) unfavorable, respectively. Total Operating Income for July totaled \$1,813k and was (\$73.8k) unfavorable to budget due to Assessment Income (\$24.0k) below budget, and Public Green Fees being (\$13.5k) under budget. Operating Expenses for the month were \$1,886.2k and \$71.2k favorable to budget due primarily to the timing of a planned \$34k Solar R&M expense and timing of a \$55k Software Licensing expense. Year-to-date Net Operating Excess was \$1,200k and unfavorable to budget by (\$66.1k). This unfavorable year to date Operating Excess was due primarily to Income being (\$371.6k) under budget, offset partially by Wages being favorable to budget by \$316.5k.

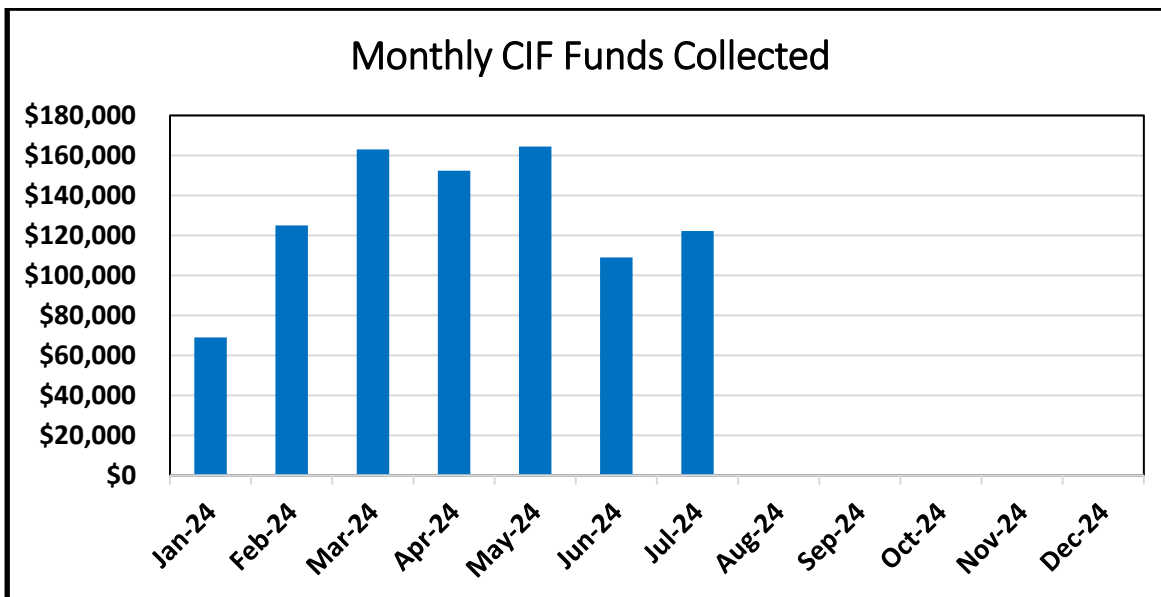
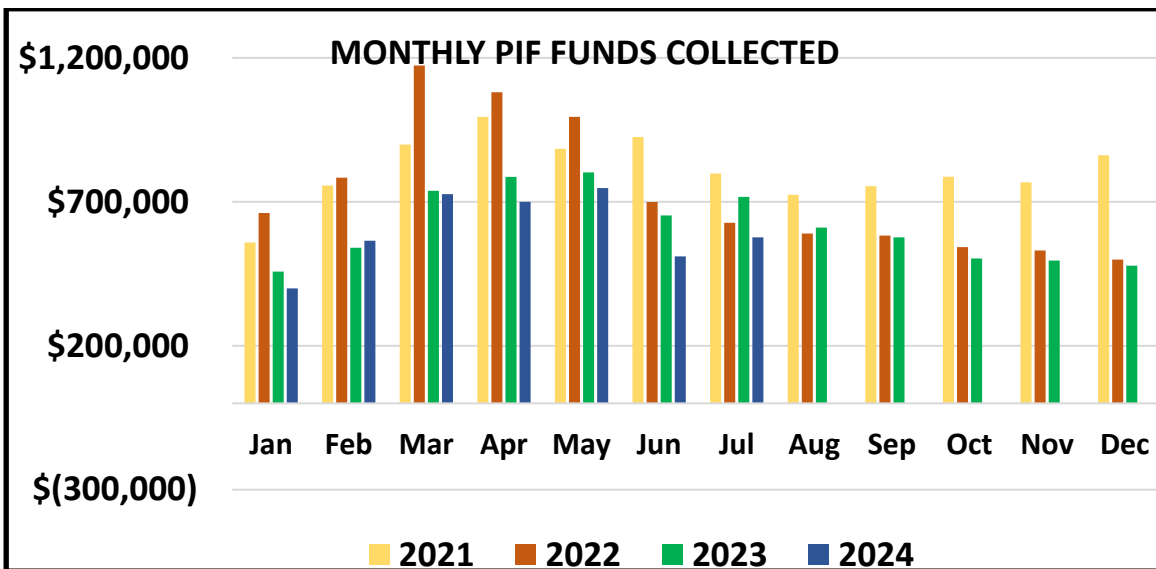
Cardholder Services:

Payments on past due assessments in July were 13.6% of past due balances. Overall accounts receivable increased in the month by 2.4% and are up 14.2% from the end of 2023. Overall accounts receivable for past due balances increased in July by 0.8%. June assessments went 30 days past due at a rate of 6.1% and May assessments went 60 days past due at a rate of 2.0%.

Payments from third-party collections firms totaled \$55,205 in July and totaled \$1,758,010 year-to-date. July payments made through the online Web Portal totaled \$150,785 from 276 property owners. Year-to-date online portal payments total \$1,758,010 from 3,205 property owners.

In July, property transfer balances increased by (6.6%). Outstanding balances related to property transfers represent 56% of all receivables and 56% of past due balances. July trustee sale notices on Sun City AZ properties increased from 26 to 28, and properties owned by lending institutions remained at 1.





Purchasing:

Contracts: In July, Purchasing assumed responsibility for the maintenance and updating of Certificates of Insurance for all RCSC vendors and updated the Master Service Agreement Insurance Requirements section of our template MSA document to better address our required worker’s compensation coverage. Purchasing has requested COI information from all departments as preparation for their new responsibility for organization-wide COI tracking.

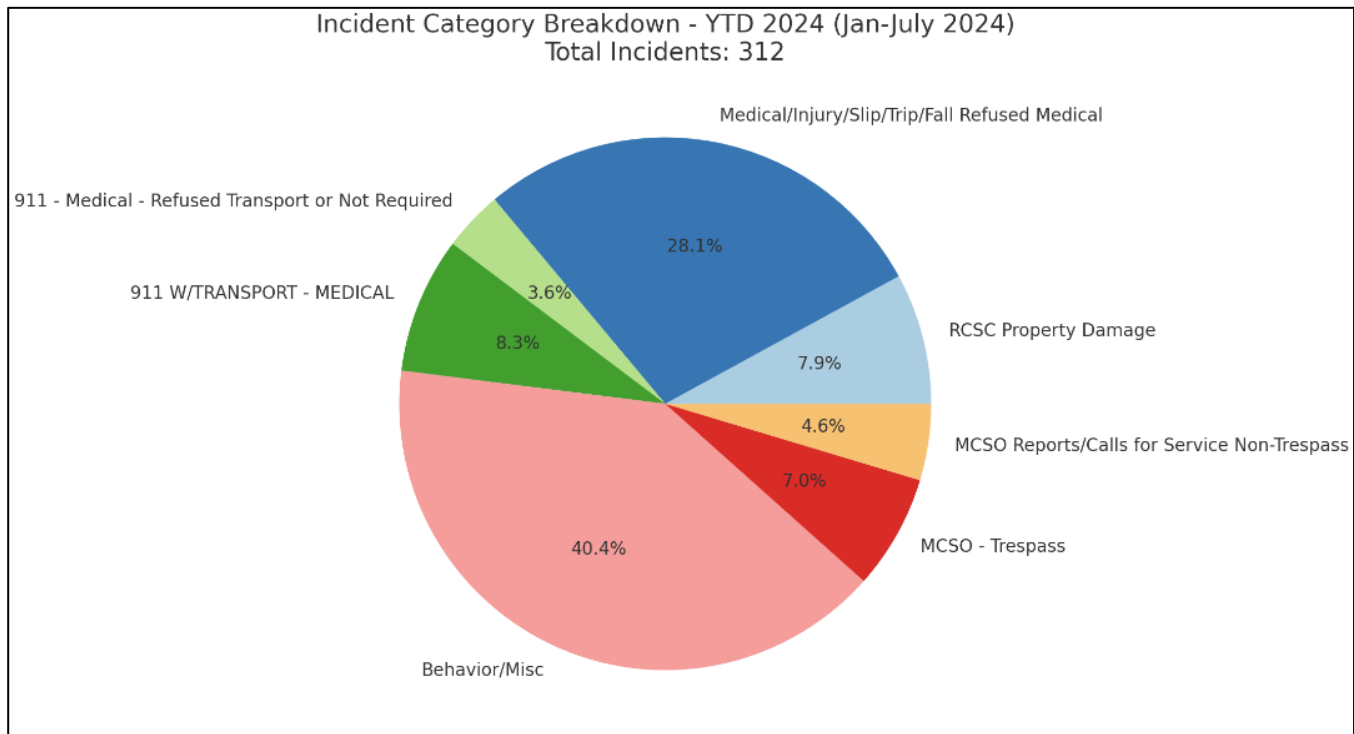
In July, Purchasing continued to draft and execute leases for the massage room spaces at RCSC. Of the five spaces at Bell, Fairway, and Sundial, four have been leased to massage providers. Purchasing is also continuing to work with Communications and the Board to complete the statement of work and MSA for the RCSC website development project.

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Safety & Compliance:

In July 2024, the Safety and Compliance Department at RCSC made significant strides in enhancing safety and security for all members. Key highlights included hiring a new Safety Technical Specialist, launching a monthly Safety Council initiative to oversee safety practices, and initiating the implementation of SafetyPlusWeb software for streamlined incident reporting. We also focused on heat safety measures, improved security camera systems, and began integrating a new all-in-one badge system for building access control. These efforts, along with handling 25 customer engagements and 53 incident reports, underscore our commitment to providing a safer and healthier environment for the RCSC community.

Incident Reports investigated this month: 53. Year-to-date: 312
Customer Inquiries responded to this month: 25. Year-to-date: 869



Human Resources:

Human Resources opened 12 requisitions during the month of July and filled 12 requisitions, ending the month with 3 open positions. Year-to-date, HR has opened 103 requisitions and filled 105 open positions. The time-to fill requisition KPI in July was 18 days.

Information Technology:

In July, the Information Technology team received 96 new service requests, and closed 95 requests by month end, leaving 8 tickets remaining open. On average, IT closed service requests in less than one day in July. Year to date, IT has opened 709 tickets and closed 711 tickets.

The Cox fiber install permits are at Maricopa for review and approval, with an estimated time to install of September 2024. The Mountain View Recreation Center has been updated to SDWAN, and due to this upgrade, we were able to upgrade the computers at this facility. The Fairway FA station and IT infrastructure

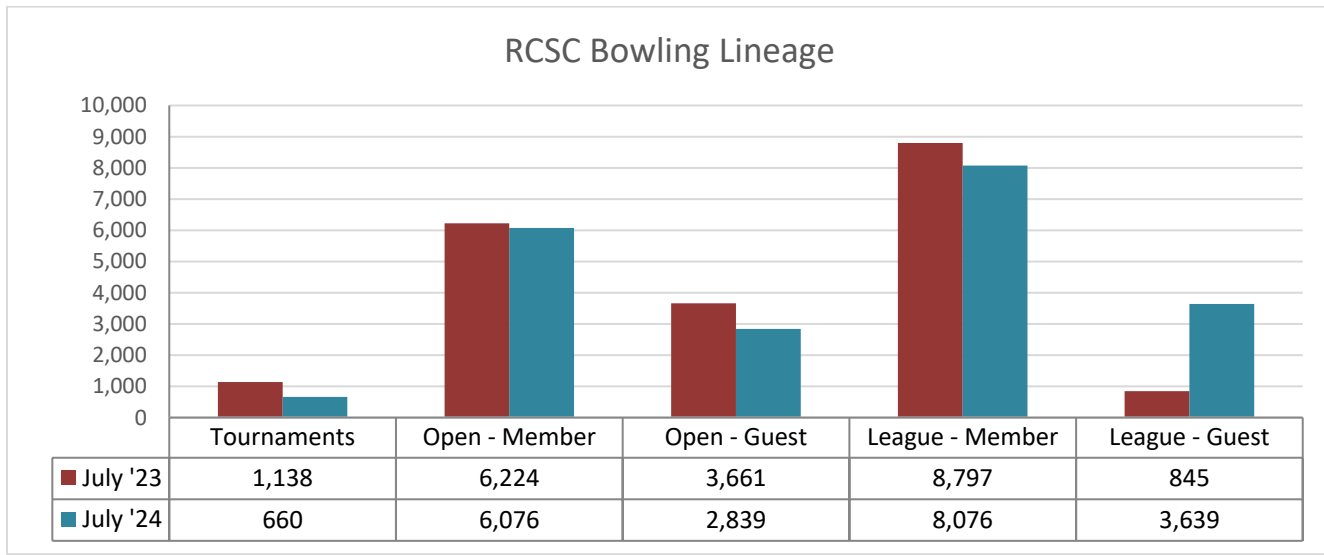
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move is complete. Installation and replacement of all networking equipment within RCSC is 60% complete and will be 100% complete by December.

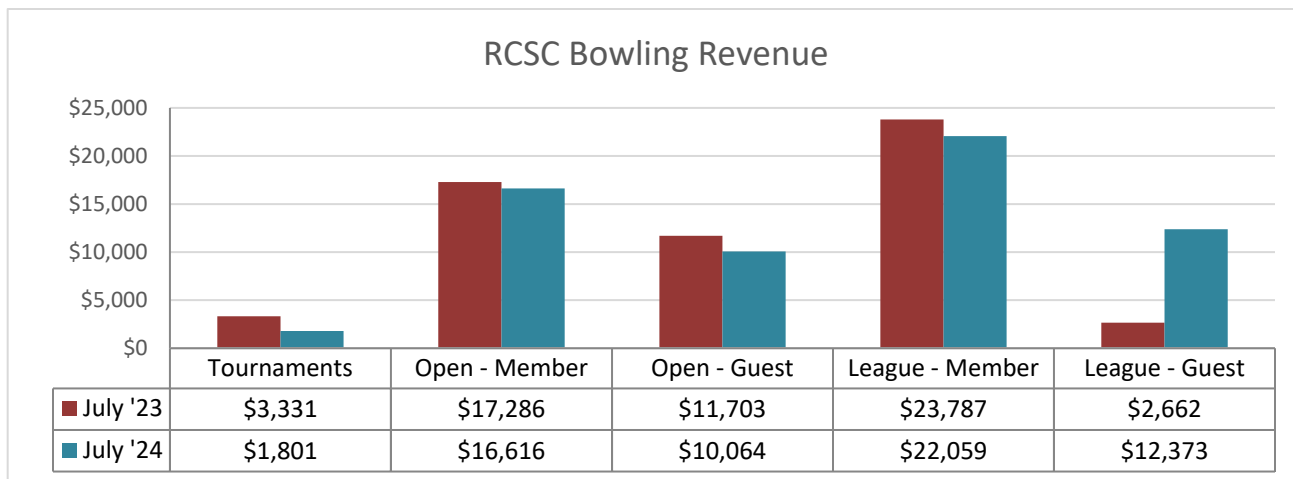
NON-GOLF:

Bowling:

In July of 2024, Bowling lineage totaled 22,534, compared to 21,739 in July of 2023, an increase of 4%. Year-to-date lineage through July 2024 totaled 195,224 lines, compared to 189,341 through July 2023, an increase of 3%.



Bowling Revenue in July 2024 totaled \$62,912 which was 7% greater than the July 2023 revenue of \$58,769. Year to date, 2024 Bowling revenue is \$549,019, or 7% greater than the total revenue through July of 2023.



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ACTIVITIES:

Media Studio Update:

The following is in process for the new media studio:

- Music playlists are still being compiled & tested
- Programming schedule being developed with new software installed
- Videos/photos continue to be compiled
- Conversations with town historians
- Event videos/photos being incorporated into the slide shows
- Station ID breaks being recorded, team voice recordings

Entertainment and Rentals:

The following is in process for events/reservations:

- 184 reservations to date with \$98,549.87 being reflected in fees paid
- Replenishing of props and supplies for events
- Program Schedule development for the Media Studio continues to progress
- Contracts for entertainment have been sent out for the Spring/ Autumn seasons of 2025 along with the Volunteer Luncheon and Royal Autumn Ball for 2024
- Contracts for the Mini-Series at Sundial 2025 have been sent, received and being booked
- Summer 2025 programs are partially scheduled, and contracts will go out once all performance spaces are filled
- Flyers have been completed for a portion of what has been scheduled
- Development of future programming to be added into the schedule

Communications/Welcome Center:

The Welcome Center had 295 visitors in the month of July. The number one reason for their visit was to pick up club brochures. The number two reason was for directions assistance, and the number three was for new member information. We had six prospective buyers contact us expressing interest in moving to Sun City, three visited us and completed surveys, two called and one emailed us. The three surveys stated that they all heard about us from family. Bowling, cards, fishing, kayaking, pickleball, and swimming were among the interests they had. The Welcome Center answered 85 phone calls in July, 47 calls were from residents; 38 were nonresidents, 3 of which were realtors.

CLUBS

New club associate Sarah Parker joined our team on August 13, 2024. The Clubs Office is updating Rectrac householder documents with EIN, Trade Names, and Officer Lists. 2025 Club reservations are complete, and club presidents are being notified to work through any conflicts. July monthly attendance has been received and processed. The staff continue to work on the IPE (Integrated Process Excellence) flow charts to review/improve club office processes.

Club Projects:

Resurfacing of the Bocce courts will begin on September 23rd.

Lighting Project in Bell Metal and Bell Woodworking was completed

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Centers:

USAGE BY CENTER	JAN	FEB	MAR	APR	MAY	JUN	JULY	TOTAL
BELL	23,335	27,732	30,512	31,182	23,151	27,686	30,566	194,164
FAIRWAY	18,994	18,620	19,439	19,861	20,064	21,688	21,689	140,355
LAKEVIEW	10,129	14,061	17,081	13,036	10,810	7,846	7,138	80,101
MOUNTAIN VIEW	4,003	4,090	6,545	6,203	4,758	3,481	3,520	32,600
MARINETTE	17,278	18,369	19,496	20,589	11,822	11,541	11,045	110,140
OAKMONT	3,119	3,302	4,365	4,182	4,767	4,406	4,635	28,776
SUNDIAL	19,239	17,703	17,990	13,470	11,804	9,319	6,690	96,215
TOTAL CENTER USAGE	96,097	103,877	115,428	108,523	87,176	85,967	85,283	682,351

USAGE SUMMARY BY ACTIVITY	JAN	FEB	MAR	APR	MAY	JUN	JULY	TOTAL
BASKETBALL	31	61	106	31	12	18	34	293
BILLIARDS	2,795	2,607	2,733	2,441	2,188	2,111	2,286	17,161
BOATS, PEDAL & ROW	587	1,109	1,435	948	406	130	101	4,716
BOCCE (open)	255	206	290	116	17	12	4	900
DARTS	783	833	928	750	616	643	661	5,214
FISHING	289	191	113	76	98	89	81	937
FITNESS	36,395	34,847	34,557	31,275	27,379	26,500	28,860	219,813
WHISPERBALL/ RACQUETBALL	322	323	351	270	216	261	304	2,047
HORSESHOES	120	135	80	25	5	-	3	368
MINI GOLF	4,317	6,411	8,568	4,760	1,999	802	347	27,204
PICKLEBALL	10,362	11,240	11,265	13,007	4,897	3,484	2,837	57,092
POOLS, SWIMMING	12,704	14,306	20,065	20,085	21,190	20,981	20,189	129,520
POOLS, WALKING	3,126	5,466	6,920	11,128	9,581	13,495	13,549	63,265
POOLS, WARM WATER	2,296	2,493	2,086	2,029	1,488	1,133	591	12,116
SHUFFLEBOARD (open)	794	868	940	569	487	583	503	4,744
SPA, INDOOR	4,245	4,008	3,784	2,976	2,669	1,865	1,176	20,723
SPA, OUTDOOR	4,212	6,080	6,812	7,622	4,045	5,027	3,698	37,496
TABLE TENNIS	841	800	904	757	749	635	709	5,395
TENNIS COURTS	1,119	1,136	1,233	1,004	753	407	404	6,056
WALKING, INDOOR	5,579	4,676	4,682	4,810	5,448	6,577	8,093	39,865
WALKING, OUTDOOR	4,925	6,529	7,576	4,034	2,933	1,214	853	28,064
TOTAL ACTIVITY USAGE	96,097	104,325	115,428	108,713	87,176	85,967	85,283	682,989

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FACILITIES:

Projects:

In-Work

Mountain View Recreation Center

- Completed initial Performing Arts Center (PAC) Site Selection review with triARC design + architecture 08/19/24.
- Next Step: Deeper dive on the top 3 recommended sites; review results with triARC by mid-September.

Recently Completed:

Bell Recreation Center

- Completed Silver Craft Club room lights over Wax Table replacement project. Project was completed on July 15 at a cost of \$ 1,362. Contractor: Accel Electric
- Completed metal club roof over safety cages project. Project was completed on July 17 at a cost of \$ 3,758. Contractor: KLM Construction

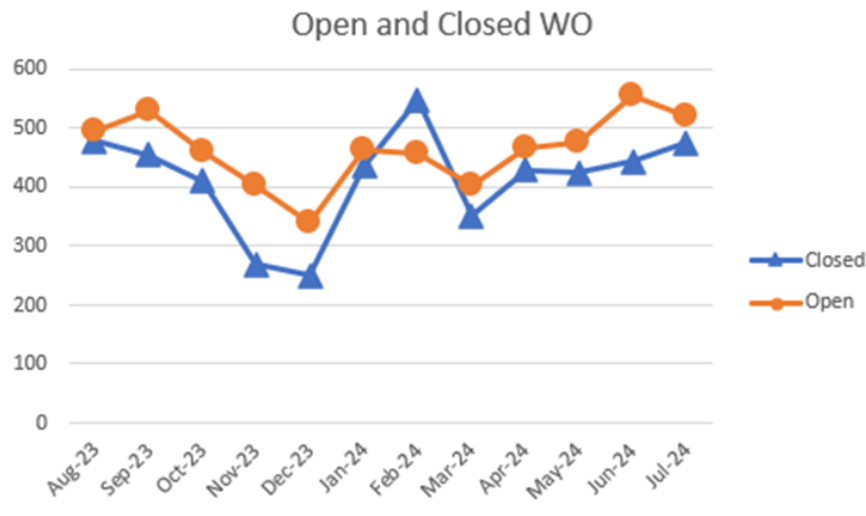
Oakmont Recreation Center

- Completed security enhancement pilot project. Project was completed on July 22 at a cost of \$ 176,650. Contractors: ADT/Everon, Fairlane Fence and Exquisite Painting Company

Sun Dial Recreation Center

- Completed stage in auditorium (storage are under the stage) improvements project. Project was completed on July 11 at a cost of \$ 59,700. Contractor: Tri C Construction
- Completed Handweavers club room replacement of fans and enhanced LED lighting improvement project. Project was completed on July 23 at a cost of \$ 6,870. Contractor: Accel Electric
- Completed replacement of sand and laterals in three pool filters project. Project was completed on July 5 at a cost of \$ 14,526. Contractor: Master Pools
- Completed fitness/exercise room upgrades to all lights (replaced with LED lighting). Project was completed on July 29 at a cost of \$ 24,988. Contractor: Accel Electric

WORK ORDERS (Skilled Trades, Repair and Maintenance): The Facilities Department had 519 open work orders as of August 1 and completed 476 work orders in July 2024. The average time to close a work order in July 2024 was 11.0 days. The Facilities Department has completed 3,107 work orders as of August 1.



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LAWN BOWL AND GROUNDS:

As of August 14, 2024

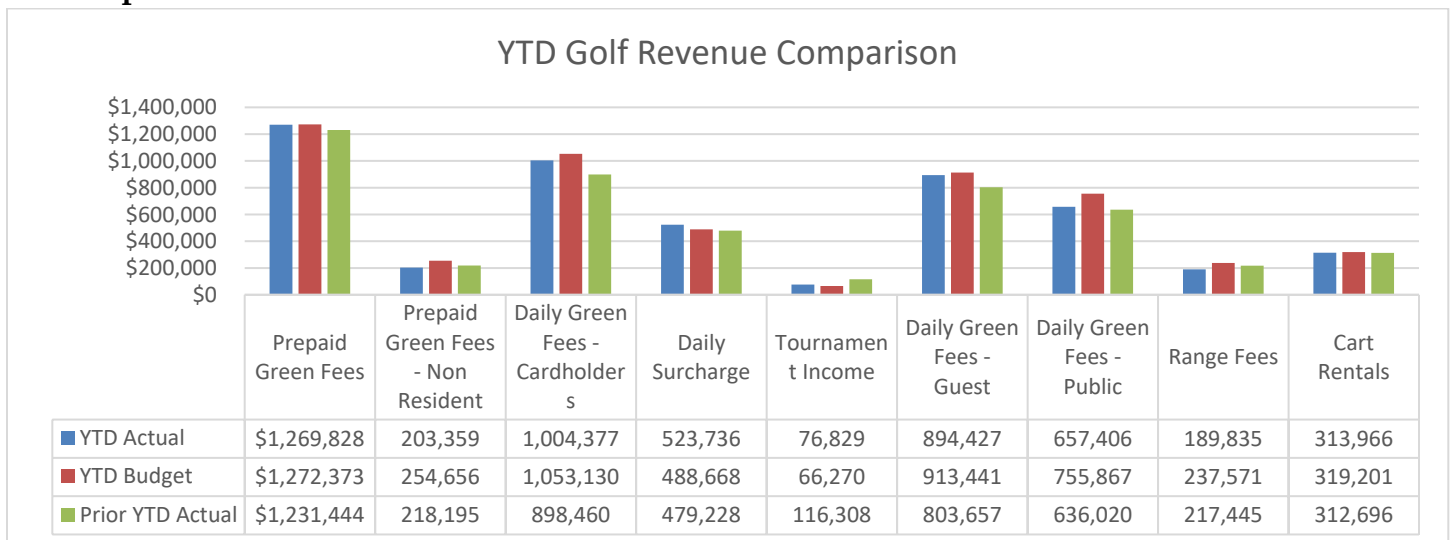
SITE	SPEED	MOISTURE
BELL NORTH	10.5	11.9
BELL SOUTH	11.2	10.8
LAKEVIEW EAST	10.2	14.1
LAKEVIEW WEST	10.0	14.1
OAKMONT	9.5	14.4
MOUNTAIN VIEW	10.2	9.8

LAWN BOWLS: Mowing, rolling and cleaning ditches three times a week. We aerifie with 1/4-inch tines. We are going to start planting the green to make them level.

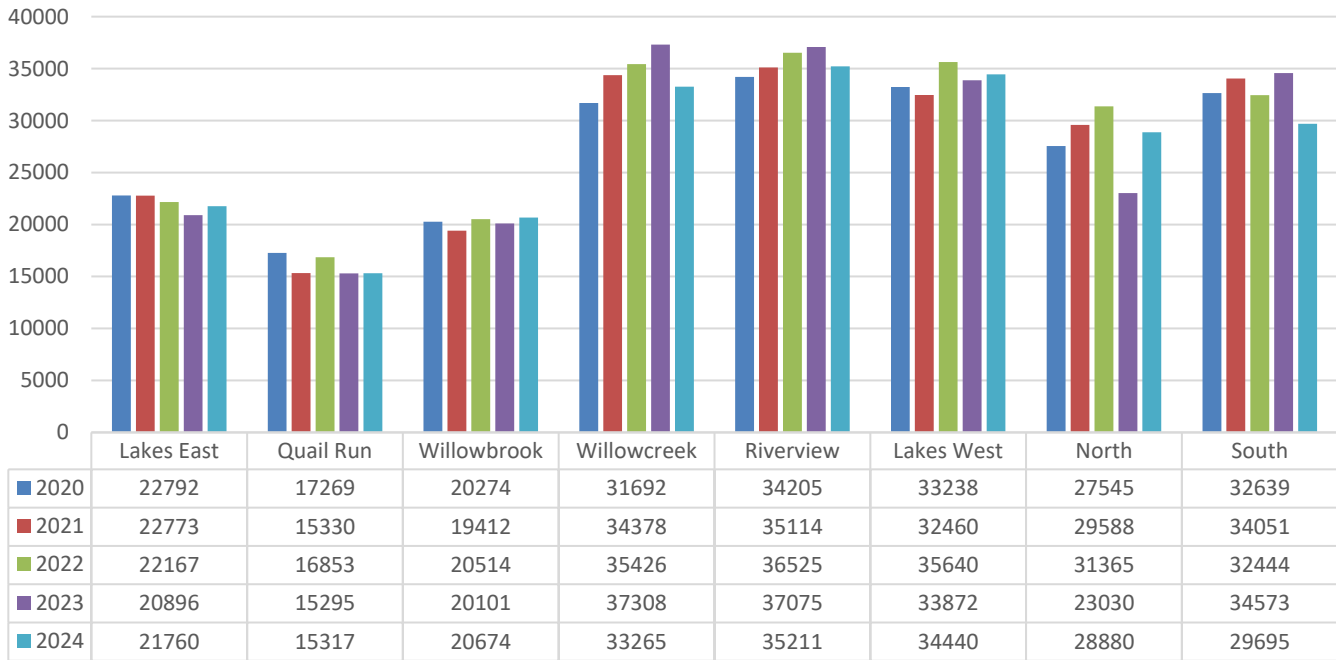
GROUNDS: Trimming brushes and trees around centers. Haul rocks around Oakmont shade project. Put sod around the new ball club building. Mowing sun bowl and lakeview center once a week.

GOLF:

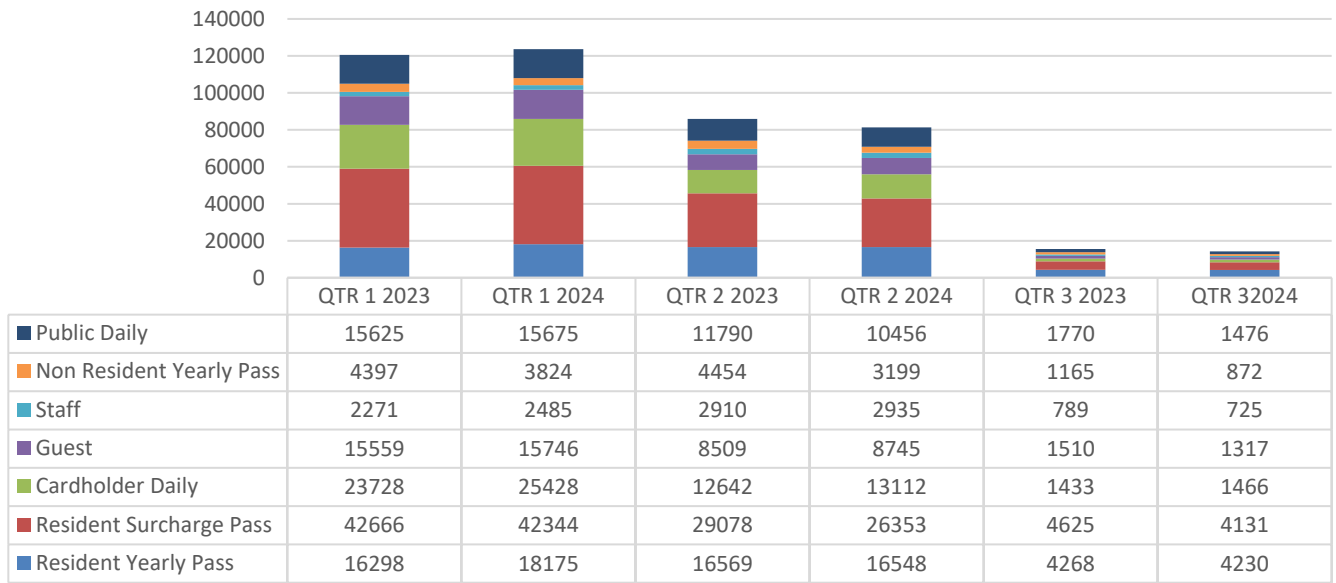
Pro Shops:



YTD Rounds Played by Course

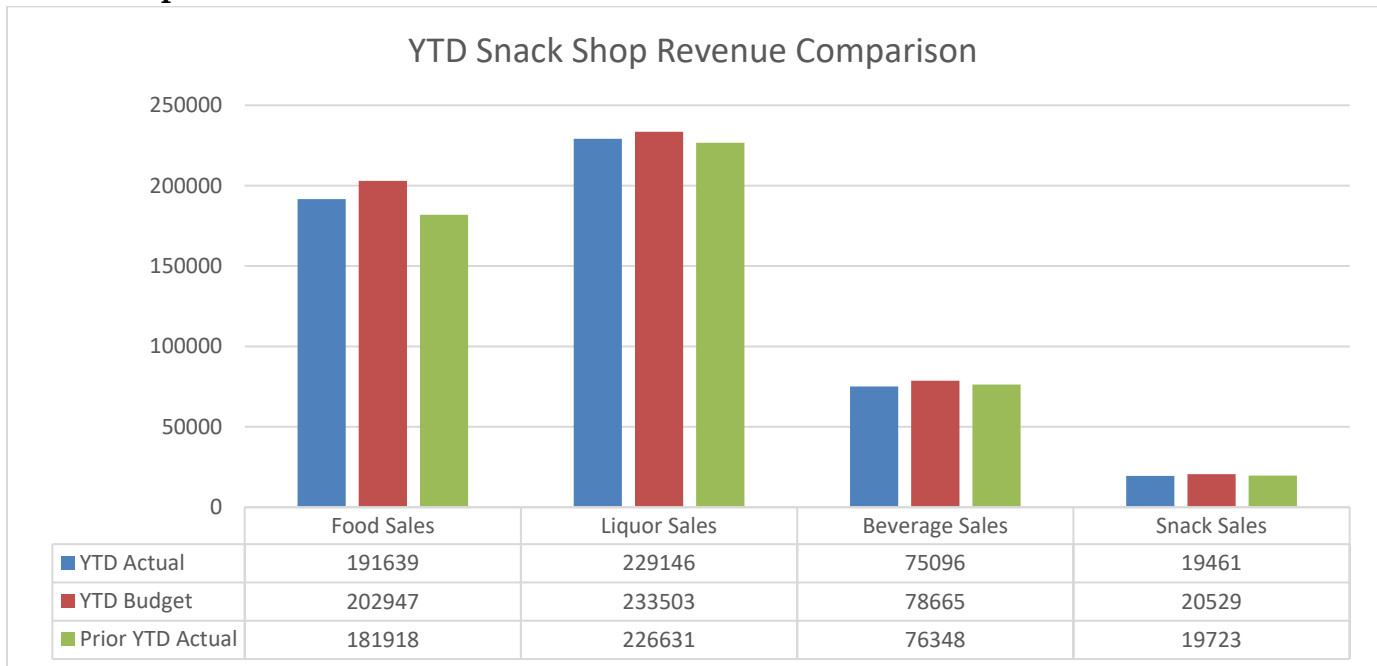


YTD Rounds Comparisons



- 17.80% of total rounds played by Resident Yearly passholders, down from 18.00% last year
- 33.20% of total rounds played by Resident Surcharge passholders, down from 34.50% last year
- 18.20% of total rounds played by Resident Cardholders, up from 16.10% last year
- 3.60% of total rounds played by Non-Resident Yearly passholders, down from 4.60% last year
- 12.60% of total rounds played by Public Golfers, down from 13.00% last year
- 11.80% of total rounds played by Guests, up from 10.90% last year
- 2.80% of total rounds played by Staff, same as 2.80% last year

Snack Shops:



Golf Courses:

All major summer agronomic procedures have been completed and overseeding is a month away. Overseeding will begin on September 23 for North, Lakes West, Riverview and Willowbrook. These courses will reopen on October 11 with cart path restrictions in place until November 1. The remaining courses will close October 14 and reopen November 1 with cart path restrictions in place until November 22. We will be forgoing overseeding the fairways on the front 9 of the North Course to give the Tif Tuf an additional year of growth without competition from the rye grass. It will also provide a better indication of how well the Tif Tuf plays while dormant, now that it has had a year of growth. We are currently not planning an overlap period during which all courses will be closed, however we will be monitoring long range forecasts as we near the September 23 start date. Should forecasted temperatures prove problematic for overseeding we will move the start date for the first wave of course closures to September 30. Should this change prove necessary it will result in an overlap period of course closures, as we will not move the second wave of course closures back.

Superintendent Update (Chuck Hyppa)

As the pressures of Summer begin to slow down, I wanted to provide everyone an update in regard to golf course maintenance. Many of you may have noticed that we have been active in our desire to eradicate the weed population throughout the courses. A few of the courses have had good success in the suppression of Crabgrass and Nutsedge particularly in fairways and green banks. We fully intend to continue these efforts as we move forward. This will take a couple annual cycles of pre-emergent as well as post-emergent Herbicide applications to get the upper hand, but we certainly made good progress this Spring and Summer.