

RCSC Management Report – April 18, 2019

Financial:

Financial Report

The Recreation Centers of Sun City, Inc. (RCSC) has ended First Quarter 2019 within its operating and capital budget year to date. Every division has met or exceeded its net operating budget projections year to date. Gross operating income is under budget by \$78,630 which is attributable to the golf division and the cold weather. Food Service shows a negative variance in wages, taxes and benefits of \$7,608 due to the third pay period in March not being budgeted. Building and Infrastructure Division is over budget in repairs and maintenance by \$8,535. General Operating Expenses are under budget by a total of \$234,758 year to date with Total Net Excess before Depreciation in a positive variance position from budget of \$308,805 as of March 31, 2019.

Maricopa County Library Lease Agreement

The current Maricopa County Library Lease Agreement will expire on June 30, 2019. Another lease agreement for the Bell Center (13,675 sq. ft.) and Fairway Center (4,365 sq. ft.) libraries has been drafted for another 5 year term commencing on July 1, 2019 and expiring on June 30, 2024 and should be finalized in the near future. The terms of the lease are the same as the prior lease, with rent of Ten Dollars (\$10.00) per year and RCSC providing at its own expense utilities, maintenance and janitorial services.

Cardholder Services

Payments on past due assessments in March were 10% of past due balances. While this payment rate is consistent for the past 7 months it is approximately 17.5% under the average for the past year. Overall accounts receivable increased in March by 3.7% and is up 9.6% from the beginning of the year. While both the Over 30 and Over 60 categories have seen significant increases, the Over 90 category has decreased and is at the lowest level in almost 6 years. Overall account receivable past due balances have increased 2.95% since the beginning of the year. February assessments went 30 days past due at 5.9% rate and January assessments went 60 days past due at a 2.9% rate.

Payments from our third-party collections firm totaled \$5,186 in March. Year to date payments through our third-party collections firm total \$25,157. Payments made in March through the online RCSC Web Portal totaled \$173,548 from 379 property owners. This is the highest single month total for payments through the web portal since this function was introduced in 2013. Year to date web portal payments total \$429,644 from 939 property owners.

In March property transfer balances decreased by 6%. Despite this decrease, property transfer related balances are 6.8% higher than the end of 2018. Outstanding balances related to property transfers represent 52% of all receivables and 55% of past due balances. Outstanding lender related balances increased in March. At the end of March trustee sale notices on Sun City AZ properties ended at 30 and properties owned by lending institutions decreased to 7.

Projects:

Fairway Center

- Repaint Fairway Center

Bids from two contractors have been received for this project and waiting for response from the third. Evaluation and presentation to the bid commission for approval will be completed upon receipt of third bid. Scheduling of work dependent upon approval and contractor selected.

Contractor: TBD (Budget \$95,000)

RCSC Management Report – April 18, 2019

Bell Center

- Pool Deck Replacement
Work scheduled for late June through July 2019. Working on contract documents and material color selections in preparation of work completion. Formal bid packet for Bid Commission to be submitted by 04/30/2019.
Contractor: Rubcorp, AZ Safety Surfacing (Cost \$225,000)
- Lap Pool Pebble Sheen Replacement
Work scheduled for June 2019. Includes the chip out of the existing finish, replacement of pebble sheen surface, waterline tile, depth markers, new drain covers, and LED retrofit kits for lights. Formal bid packet for Bid Commission to be submitted by 04/30/2019.
Contractor: CDC Pools, RCSC Skilled Trades (Budget \$60,740)
- Walking Pool Pebble Sheen Replacement
Work scheduled for June 2019. Includes the chip out of the existing finish, repair of broken bench, repair of 2" water supply line, replacement of pebble sheen surface, waterline tile, depth markers, new drain covers, and LED retrofit kits for lights. Formal bid packet for Bid Commission to be submitted by 04/30/2019.
Contractor: CDC Pools, RCSC Skilled Trades (Budget \$57,585)
- Outdoor Spa Pebble Sheen Replacement
Work scheduled for June 2019. Includes the chip out of the existing finish, replacement of pebble sheen surface, waterline tile, depth markers, new drain covers, and LED retrofit kits for lights. Formal bid packet for Bid Commission to be submitted by 04/30/2019.
Contractor: CDC Pools, RCSC Skilled Trades (Budget \$8,327)
- Pool Filter and Pump Replacement
Replacement of the cartridge filters with sand filters for the walking pool and outdoor spa will be completed during the closure for the interior refinishing and deck replacement. This change will save considerable time and expense for the ongoing cleaning of the cartridge filters. The pump for the walking pool will also be replaced at this time.
Contractor: Superior Pool Products (Budget \$16,000)
- Lapidary Club Room
We are currently working on receiving the work quotes from the different trades for the work in the Lapidary club room. Work will include flooring, ceiling grid, overhead lights, cabinetry, and environmental remediation. Target is to begin work in May.
Contractor: Multiple (Budget \$75,000)
- Repaint Bell Center
Bids from contractors have been received for this project and are currently being evaluated for presentation to the bid commission for approval. Scheduling of work dependent upon approval and contractor selected. Anticipate work to be coordinated with the pool work so those areas around the pool are done during the pool closure.
Contractor: TBD (Budget \$125,000)
- Silvercraft Club Room
We are currently working on receiving the work quotes from the different trades for the work in the Silvercraft club room. Work will include flooring, ceiling grid, overhead lights, cabinetry, paint and environmental remediation. Target is to begin work upon the completion of the Bell Lapidary club room work.
Contractor: Multiple (Budget \$78,000)

RCSC Management Report – April 18, 2019

Bell Center (cont.)

- Table Tennis Flooring

This project includes the removal of the current VCT flooring, environmental remediation, floor prep and replacement with padded flooring material. Costs for the environmental remediation and floor prep increased cost over projected budget. Project pending identification of additional budget funding source and formal bid commission approval.

Contractor: Spray Systems, AZ Resource Flooring (Cost \$30,816)

- Library Book Drop

This project is the design and construction of a book drop on a center island within the access road to the north of the library. A civil engineer was contracted to ensure the grading, drainage and roadway modifications were adequately designed to ensure the selected contractor had specifications to construct from. The civil engineering work was completed as of 4/17/2019. The architectural drawings will integrate these drawings and be used for soliciting bid from contractors. We anticipate architectural drawings to be received by 4/19/2019 and solicitation of bids without delay. The costs of this project are to be reimbursed by the Friends of the Library.

Contractor: To Be Determined (Cost - To Be Determined)

- Sewer Pipe Relining

A 4" cast iron sewer pipe under the foundation and runs under the shuffleboard and adjacent restrooms is deteriorated. This pipe will be relined with the Nuflow liner product to prevent the disruption of a traditional excavation and replacement. The restrooms on the Hutton side of Bell Lanes will be partially affected for 2-3 days while this work is completed.

Contractor: Sunland Plumbing (Cost \$7,800)

Grand Center

- Resubmission of the building permit package completed on 04/16/2019. Pending receipt of building permit before requesting bids for the project. Bid and material specifications completed so the bid process will begin without delay upon permit issuance.
- The permit for the deceleration lane from ADOT is still pending.
- Board approval of the space allocation for the second building to be requested at the 04/25/2019 board meeting. Upon approval of the space allocation we will begin working with the assigned clubs on the detailed use of the assigned space.

Lakeview Center

- Fitness Restroom Remodel

This project was completed and reopened for Cardholder use as of 04/05/2019.

- Upper Restroom Remodel

Final updated specifications provided to architectural firm for updating design documents and material specifications as of 4/17/2019. Bid Commission approval expected to be requested by 04/30/2019.

Contractor: TBD (Budget \$110,000)

- Mini Golf Carpeting

This approved project is scheduled to begin Monday 04/29/2019 and expected to be completed by 5/3/2019.

Contractor: Baker Brothers Flooring, Exquisite Painting, RCSC Skilled Trades (Cost \$24,966)

- Center Upper Roof Recoat

The upper roof on the Center building will have an elastomeric recoating applied. This project is approved by the bid commission based upon the size and lead time for the project it is to be completed in July. Contractor: Lyons Roofing (Cost \$46,900)

RCSC Management Report – April 18, 2019

Lakeview Center (cont.)

- Mini Golf Building Roof Replacement and Restroom Repairs
This project includes the replacement of the roof on the Lakeview mini golf building and the repairs to the restrooms from the water leaks. This project is approved by the bid commission and scheduled for roofing repair on 5/13/2019 and bathroom repair immediately following.
Contractor: Lyons Roofing, Spray Systems, KAW Construction (Cost \$16,345)
- Artists By The Lake Club Room
We are currently working on receiving the work quotes from the different trades for the work in the Artists By The Lake club room. Work will include flooring, ceiling grid, overhead lights, cabinetry, paint and environmental remediation. Target to begin work in May/June.
Contractor: Multiple (Budget \$59,000)
- Lakeview Hill Park Gazebo Painting
Painting of the railings and roofs for the three lower gazebos in the park. Also includes the replacement of rotted out railing sections on one gazebo. This is completion of a project budgeted for in 2018 and is scheduled to be begin on 4/22/2019 completed by 5/3/2019. These gazebos will be closed during this work.
Contractor: Exquisite Painting (Cost \$7,050)

Marinette Center

- Pool Deck Replacement
Work scheduled for late July through August 2019. Working on contract documents and material color selections in preparation of work completion. Formal bid packet for Bid Commission to be submitted by 04/30/2019.
Contractor: Rubcorp, AZ Safety Surfacing (Cost \$125,000)
- Pickleball Pavilion Lighting
Met with the Musco lighting representative to review the pavilion and lighting needs. Revised proposal from Musco is pending. Ephesus Lighting, a division of Eaton, provides sporting venue lighting but has declined to participate in providing a proposal and recommended that the Cooper Division of Eaton may be a better fit. Continuing to seek additional bids on this project.
Contractor: TBD

Sundial Center

- Club Restroom Remodel
Final updated specifications provided to architectural firm for updating design documents and material specifications as of 4/17/2019. Bid Commission approval expected to be requested by 05/8/2019.

South Pro Shop

- The final permit approval and certificate of occupancy is still pending. The certificate of occupancy is required before the Maricopa County Health Department inspection of the snack shop kitchen can be completed. Although we continue to prepare the new pro shop and snack shop for use, there will be some additional time necessary to prepare the snack shop for opening upon receipt of approved inspection reports.

Golf & Grounds:

Pro Shops

Total golf rounds for March were 42,930, 891 fewer than prior year and the second lowest recorded total in the last 14 years. Poor weather from March 11 through March 13 resulted in 2,263 less rounds from prior year. Despite fewer rounds played, green and cart fee income both exceeded budget and prior year; driven by a higher average green/cart fee per round.

RCSC Management Report – April 18, 2019

Snack Shops

Snack shop revenue exceeded budget by \$1,600, despite fewer golf rounds played compared to prior year.

Golf Courses

The well on the back 9 of the South Course is back online, work included:

- brushing and bailing of column pipe
- cleaning dipping and baking of the motor
- replacing damaged column pipe
- videotaping of well

Prior to service, the well was operating between 500 and 600 gallons per minute. After service, output has increased to 1000 gallons per minute. Total cost of work performed was \$82,205.65.

We have received bids for this summer's golf projects: South bunker refresh, South practice area rebuild, and installation of forward tees on Lakes West. We are currently in process of submitting bids to the bid commission for approval and contractor selection. The budget for the South Bunker/Practice area is \$225,000 and the budget for Lakes West Forward tees is \$275,000.

Lawn Bowl/Grounds

Work has begun on the lawn bowling greens at Mountain View and Oakmont. The greens at Mountain View have had 7 inches of material removed, plinth boards leveled and new root zone material installed. The greens at Oakmont have had 7 inches of material removed and are awaiting replacement plinth boards to begin the leveling process. Once leveled new root zone material will be installed. Both greens will be laser leveled prior to being grassed. Total budget for project is \$150,000.

General:

For those who may not be aware, the monthly management report is available on our website www.suncityaz.org under the RCSC tab. Also, if you have not done so already, please sign up on the RCSC email list where you can designate topics of interest and stay in the loop with RCSC News Alert Emails!