

RCSC Management Report – May 23, 2019

Financial:

Financial Report

The Recreation Centers of Sun City, Inc. (RCSC) has ended April 30, 2019 within its operating and capital budget year to date. Every division has met or exceeded its net operating budget projections year to date. Golf ended April under the budgeted gross operating income by \$129,169 year to date, which is attributable to the unseasonably cold and wet weather which in turn provided a \$63k savings in electricity for the pumps and wells. Despite this shortage in revenue, the Golf Division has successfully completed April with a \$34,000 total positive variance from the budget.

Cardholder Services

Payments on past due assessments in April were 11% of past due balances. Overall accounts receivable decreased in April by 1.8% and is up 7.8% from the beginning of the year. Overall accounts receivable past due balances have increased 5.2% since the beginning of the year. March assessments went 30 days past due at a 4.4% rate and February assessments went 60 days past due at a 2.9% rate.

Payments from our third-party collections firm totaled \$9,928 in April. Year to date payments through our third-party collections firm total \$35,084, which is down by almost 60% compared to 2018 year to date totals. Payments made in April by Cardholders through the online RCSC Web Portal totaled \$158,520 from 360 property owners. Year to date web portal payments total \$588,164 from 1,287 property owners which is up 14% from 2018.

In April property transfer balances decreased by 1.5%. Outstanding balances related to property transfers represent 51% of all receivables and 54% of past due balances. Outstanding lender related balances decreased in April. At the end of April trustee sale notices on Sun City properties ended at 31 and properties owned by lending institutions remained at 7.

Projects:

Fairway Center

- Repaint Fairway Center

Bids have been evaluated and the bid packet submitted to the Bid Commission as of 5/22/2019. Approval by the Bid Commission is necessary before awarding the contract.
Contractor: TBD (Budget \$95,000)

Bell Center

- Pool Deck Replacement

The bid packet for the project has been approved by the Bid Commission. Colors for the deck and coping/border have been selected. Contract to be executed by 5/24/2019.
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. Bid packet approved by Bid Commission and contract executed.
Contractor: CDC Pools, RCSC Skilled Trades (Cost \$59,263)

- 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. Bid packet approved by Bid Commission and contract executed.
Contractor: CDC Pools, RCSC Skilled Trades (Cost \$60,838)

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- 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. Bid packet approved by Bid Commission and contract executed.

Contractor: CDC Pools, RCSC Skilled Trades (Cost \$8,068)

- 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. Additional filter configuration proposals are pending. Upon the receipt of these proposals a contractor will be selected to complete the work.

Contractor: TBD (Budget \$16,000)

- Lapidary Club Room

Work will include flooring, ceiling grid, overhead lights, cabinetry, and environmental remediation. All of the bids from contractors have been received and evaluated. The bid packet has been submitted to the Bid Commission as of 5/22/2019. Upon approval by the Bid Commission work will be scheduled. The project is anticipated to take 8 weeks to complete.

Contractor: Multiple (Budget \$75,000)

- Repaint Bell Center

Bids from contractors have been reviewed and the bid packet has been submitted to the Bid Commission for approval as of 5/22/2019. Approval by the Bid Commission is necessary before awarding the contract. Work is anticipated 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 final 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)

- 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. There is no change in this project status as of 05/23/2019.

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. The RFP was sent to contractors as of 5/23/2019. Receipt of bids and review/approval of the bids is expected to take 30 days to complete. The costs of this project are to be reimbursed by the Friends of the Library.

Contractor: TBD (Cost TBD)

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- Social Hall Restroom Remodel

This project is the renovation of the restrooms at the Bell Center Social Hall. Architectural designs are nearing completion. Upon completion the project will be sent to contractors to bid. The work is projected to be completed after the July 4th celebration at the Center through August.

Contractor: TBD (Budget \$90,000)

- Social Hall Kitchen Retrofit

This project is the retrofit/remodel of the kitchen at the Bell Center Social Hall to a warming kitchen and replacement of the appliances. There is additional work in this kitchen and architectural designs are in progress. Upon completion the project will be sent out to contractors to bid. The scope of the project is likely more than the budget will permit. The completion or postponement recommendation will be made upon bids received.

Contractor: TBD (Budget \$20,000)

- Sewer Pipe Relining

A 4" cast iron sewer pipe has deteriorated; the pipe runs under the foundation, shuffleboard and adjacent restrooms. A total of forty (40) feet of pipe was relined with a Nuflow liner product to prevent the disruption of a traditional excavation and replacement. This project is complete.

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

Grand Ave

- The building permit has been approved for the existing building but cannot be issued until a contractor is selected and the bond posted. The bid specifications have been published as of 5/22/2019 with a submission date due date 30 days out. At the close of the submission period the submitted bids will be evaluated and the general contractor selected.
- The permit for the deceleration lane from ADOT is still pending.
- Based upon the communication from the Board, management will be soliciting requests for the space in the second building and review those requests in determining the use of space in the second building. This detailed review will take additional time but will not delay the work on the existing building.

Lakeview Center

- Upper Restroom Remodel

Final architectural designs took longer than anticipated to be completed due to additional mechanical review from a change in the layout. The revised plans have been received and are pending review.

Contractor: TBD (Budget \$110,000)

- Mini Golf Carpeting

The work on the mini golf carpet has been completed and the course is open for Cardholder use.

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)

- Mini Golf Building Roof Replacement and Restroom Repairs

The roof repair is complete. The women's restroom ceiling repair is almost complete. This restroom is projected to be open for Cardholder use by 5/27/2019.

Contractor: Lyons Roofing, Spray Systems, KAW Construction (Cost \$16,345)

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- Artists By The Lake Club Room

Work will include flooring, ceiling grid, overhead lights, cabinetry, paint and environmental remediation. Work quote receipt from the different trades for the work in the Artists By The Lake club room and their review is close to completion. The bid packet is expected to be presented to the Bid Commission by 5/31/2019.

Contractor: Multiple (Budget \$69,000)

- 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 work is complete.

Contractor: Exquisite Painting (Cost \$7,050)

Marinette Center

- Pool Deck Replacement

Work scheduled for late July through August 2019. Focus has been on the Bell Deck Replacement project due to the projected work calendar. The selection of colors has been completed and the contract template from the Bell Center project will be used for this project. Formal bid packet for Bid Commission now planned for submission by 6/21/2019.

Contractor: Rubcorp, AZ Safety Surfacing (Cost \$125,000)

- Pickleball Pavilion Lighting

We have received bids from three lighting contractors and are evaluating each solution presented and the lighting levels provided by the photometrics provided by each contractor. The selected solution will be reviewed with the Pickleball Club prior to submitting the bid packet for approval to receive their input on the selected solution.

Contractor: TBD

Oakmont Center

- Pool Shade Structure

This project is for a shade structure at the west end of the pool area. We have received conflicting information upon the permit review by Maricopa County. The shade contractor assisting RCSC on this project disagrees with the plan review comments that require sprinklers and setbacks from the existing patio covering. We met with the contractor on 5/14/2019 and awaiting the response from the inquiry to Maricopa County. Based upon the response and projected cost a final decision to complete, postpone or cancel the project will be made.

Sundial Center

- Club Restroom Remodel

Final architectural designs took longer than anticipated due to additional mechanical review from a change in the layout. The revised plans have been received and are pending review. Based upon project priorities this project will be delayed in starting until late summer.

Contractor: TBD (Budget \$100,000)

South Pro Shop

- The Pro Shop and Snack Shop opened for business on 5/8/2019. Feedback has been positive. We have several pending tasks including wall coverings, pendant lighting at the seating bar, asphalt repair at the north and south ends of the parking lot, and building signage at the entry. The asphalt work is scheduled for completion during course closure for overseeding in the fall.

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Golf & Grounds:

Pro Shops

Year to date, we have played 144,625 rounds throughout our eight courses. This represents our lowest total number of rounds since 2013, which was also a poor weather year. On a positive note, April rounds increased 2,439 from prior year and posted the highest number of rounds played in April over the last four years. Among the regulation courses, Riverview has played the most rounds with 22,092, Lakes West has the second highest total 22,003, followed by North, South and Willowcreek. Lakes East has played the most rounds among the Executive Courses. Year to date, 52% of rounds played were by annual pass holders and annual surcharge pass holders.

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 homeowner's property you are trespassing, unless you have been given permission to do so. We ask for your cooperation in respecting the property of others.

Snack Shops

Snack shops are now consistently closing at 3pm and beginning June 1st the time will change to 1pm. After the shops are closed, beverages and light snacks are available through the pro shops.

Course Maintenance

On May 6th, we conducted the first of our annual visits with Brian Whitlark who is with the USGA. We have now received his report and it will soon be available to view online. Topics covered during the visit included weed control, bermuda grass transition, putting greens, bunkers and forward tees. Mr. Whitlark continues to be impressed with emphasis RCSC has placed on reducing irrigation through increasing efficiency of the systems and the more recent turf reduction. Mr. Whitlark also included recommendations on products for weed control that are new or new to golf course use.

The bunker liner replacement and sand replacement at South is proceeding as expected, with the exception of a slight disturbance caused by rain. Currently all bunkers on the back 9 and the bunkers on holes 1 and 9 have had old sand removed, Better Billy Bunker liner installed and new sand installed. Work has now progressed to the remaining bunkers on the front 9. As a reminder, we request golfers to not physically enter a bunker when the gravel liner is exposed. Please use a club or ball retriever; if the ball is not reachable, the pro shop will replace balls that cannot be retrieved.

Grounds/Lawn Bowling

The green at Mountain View received final grading on May 7th and was hydro-sprigged on May 8th, the crew is currently monitoring the water cycles throughout the day.

The light poles on the Oakmont green were removed on May 7th, after it was discovered the cost to repair would be significant and the disruption as extensive as removal. The removal also takes the poles out of the ditches and the playing area. The Oakmont green received final grading on May 21st and was sprigged on May 22nd. Both greens are expected to be open for play by the first part of October. The greens at Lakeview and Bell have been aerified with needle tines, to promote water infiltration. Both locations have also had mowing heights raised to promote recovery following dormancy. Turf areas at Lakeview have been aerified and fertilized.

The Sun Bowl and Softball fields have also been fertilized to help bring them out of dormancy.

The walking trail around the hill at Lakeview was closed earlier this month for extensive trimming and cleaning.

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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!