

RCSC Management Report – June 20, 2019

Financial:

Financial Report

The Recreation Centers of Sun City, Inc. (RCSC) has ended May 2019 within its operating and capital budget year to date. Every division has met or exceeded its net operating budget projections year to date with Bowling and Member Services exceeding both income and expense targets. Golf revenue continues to fall short of budget due to unexpected, inclement weather driving gross income unfavorable by (\$111,754) year to date. However, May year to date gross income improved by \$17.4k over prior month. Golf net operating income remains favorable by \$131,560 primarily driven by decreased spending in utilities and wages. General and Administrative expenses continue to be below budget with May ending \$136,083 favorable to budget.

Cardholder Services

Payments on past due assessments in May were 12.3% of past due balances. Overall accounts receivable decreased in May by 1.2% and is up 6.0% from the beginning of the year. Overall accounts receivable past due balances have increased 7.56% since the beginning of the year. April assessments went 30 days past due at 6.7% rate and March assessments went 60 days past due at a 2.4% rate.

Payments from our third-party collections firm totaled \$8,277 in May. Year to date payments through our third-party collections firm total \$43,361. Payments made in May by Cardholders through the online RCSC Web Portal totaled \$131,073 from 286 property owners. Year to date web portal payments total \$719,238 from 1,563 property owners.

In May, property transfer balances decreased by 4.4%. Outstanding balances related to property transfers represent 50% of all receivables and 52% of past due balances. Outstanding lender related balances decreased in May. At the end of May trustee sale notices on Sun City AZ properties ended at 37 and properties owned by lending institutions decreased to 5.

Projects:

Fairway Center

- Repaint Fairway Center

Bid packet has been approved by the Board Bid Commission. Work will be scheduled after the completion of the projects at Bell Center due to the need to close the Fairway pool area to paint in that area.

Contractor: Silverado Painting (Cost \$75,000)

Bell Center

- Pool Deck Replacement

Deck installation currently scheduled to begin on 7/8/2019.

Contractor: Rubcorp, AZ Safety Surfacing (Cost \$225,000)

- Lap Pool Pebble Sheen Replacement

Work is in progress. Pebble sheen chip out is complete and waterline tile installed. Racing line tile and wall targets scheduled to be completed by 6/27/2019 and pebble sheen installed by 7/3/2019. This project 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

Chip out completed, wall tile installed, and pebble sheen installation began on 6/17/2019. There were not any structural issues on the bench in the walking pool with the issue being a separation of the old pebble finish from the gunite surface. Completion of the pebble finish anticipated by

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6/24/2019 with the pool ready for filling. The repair of the 2" water supply line is scheduled for completion by 6/21/2019 with the pour back of the deck concrete after. This project 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)

- Outdoor Spa Pebble Sheen Replacement

Chip out completed, wall tile installed, and pebble sheen installation scheduled to be completed by 6/24/2019 with the spa ready for filling. This project 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. Filters have been received and pending installation after the filling of the pool and spa.

Contractor: Exceptional Water Systems, Osiris Pools and Spas (Budget \$16,000)

- Lapidary Club Room

Work is in progress. Bid packet approved by the Bid Commission. Club items/equipment have been moved out of the room. Demo of floor and remediation of environmental issues complete. Old light fixtures have been removed with electrical for new lights being roughed in. Pending next are the grinding of the floor in preparation of staining and sealing, and the installation of ceiling grid and new light fixtures. Project on target for completion by the end of July. Work will include flooring, ceiling grid, overhead lights, cabinetry, and environmental remediation.

Contractor: Multiple (Budget \$75,000)

- Repaint Bell Center

Work is in progress. Work began in the pool area to complete this area during the pool closure. As of 6/20/2019 this area is almost complete. Project cost was higher than budget due to the extensive prep work and priming required to ensure paint adhesion to the stucco. Project includes painting of all buildings, doors, wrought iron and gates, light canopies, and block walls.

Contractor: Ghaster Painting & Coatings (Cost \$166,235)

- Silvercraft Club Room

All bids have been received and the bid packet to be submitted to the Bid Commission by 6/28/2019 for approval. 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. Awaiting a secondary proposal for the floor demo and remediation for revised project costs. Upon receipt of this proposal the bid packet will be submitted to the Board Bid Commission for approval. This approval submission is projected to be completed by 6/28/2019.

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

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- Library Book Drop

Bids for the project have been received. The project will be presented for approval the week of 6/24/2019. This project includes the placement of library book drops on an island on the north access road behind the library, installation of an access gate in the block wall and lighting upgrades along the access road. The costs of this project are to be reimbursed by the Friends of the Library.

Contractor: TBD (Cost TBD)

- Social Hall Restroom Remodel

This project is the renovation of the restrooms at the Bell Center Social Hall. Due to delays in the review and updates of the design documents we will be unable to complete the work within the closure window. Unfortunately, this project will be delayed until 2020. The environmental remediation will be completed in July to resolve this issue.

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 with respect to cabinets, flooring and lighting. The scope may permit this project to be completed within the closure window in 2019. Awaiting the bid proposals for this work, including timeframes, for submission to the Board Bid Commission.

Contractor: TBD (Budget \$20,000)

Grand

- Bids from 4 general contractors were received by the 6/18/2019 deadline. These bids are currently being reviewed with the bid packet pending submission to the Bid Commission for this review.
- The permit for the deceleration lane from ADOT is still pending.
- Time has been spent with the Vintage Vehicle Club on the use of the space allocated for their club. The club has the space shell and is currently evaluating how to use the space. A subsequent meeting will be scheduled to plan this space. No progress on allocating the open club space in the second building has been made.

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. Anticipate submission to the Board Bid Commission is early July and completion of the project during the summer months.

Contractor: TBD (Budget \$110,000)

- Center Upper Roof Recoat

No status change on this project. 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)

- Artists By The Lake Club Room

Work will include flooring, ceiling grid, overhead lights, cabinetry, paint and environmental remediation. Bid packet submitted to the Board Bid Commission and approved. Move of club items out of the room to begin 7/1/2019 with environmental remediation scheduled to start on 7/8/2019. Estimated to be a 6-week project to complete.

Contractor: Multiple (Cost \$59,000)

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Marinette Center

- Pool Deck Replacement

Work for this project likely to be pushed until the August/September timeframe. Formal bid packet for Bid Commission is pending.

Contractor: TBD (Cost \$125,000)

- Pickleball Pavilion Lighting

The desired solution has been reviewed with the Pickleball Club. The club is comfortable with this solution under the understanding that the lighting levels will be approximately 100 foot candles at play level. This is in comparison to the current light levels of approximately 35 foot candles. The bid packet for this project to be submitted to the Bid Commission by 6/28/2019.

Contractor: TBD (Budget \$180,000)

Oakmont Center

- Pool Shade Structure

The problem encountered on this project is the classification of the existing building, inclusive of the attached patio structure, and the new canopy. Based upon the classification of these buildings a setback between the two structures of 20' is required. Maricopa County disagreed with an opposing interpretation submitted for the permit. Due to the required setbacks the installation of the canopy is not possible, and this project will be cancelled. Additional umbrella shades can be used to provide shade in this area.

Sundial Center

- Club 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. Based upon project priorities this project will be delayed in starting until late summer. No change on this project as of 6/20/2019.

Contractor: TBD (Budget \$100,000)

South Pro Shop

- No progress to date on the pending tasks that include 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.

Golf & Grounds:

Pro Shops

An unseasonably cool May resulted in an increase of 2,439 rounds over prior year. The rounds played in the May represented the highest total in the last four years. For the year, Riverview has played 22,092 rounds, followed by Lakes West (22,003 rounds), North (20,182 rounds), South (19,300 rounds) and Willowcreek (19,213 rounds). Year to date 52% of rounds played have been played by holders of an Annual No Fee pass or an Annual Fee pass.

We are now accepting entries for the first Sun City AZ event to be played on our golf simulator, the British Open – Sun City AZ edition. Golfers will get to choose a day and time slot that best fits into their schedule. Play will take place between July 15 and July 19, with four time slots available each day. Applications may be picked up in any pro shop and turned in to the South Pro Shop.

Snack Shops

Snack shops are now closing at 1:00pm on a consistent basis, though will remain open longer depending on demand. After the snack shops close, snacks and beverages are available through the pro shop.

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Golf Courses

The bunker liner and sand replacement on the South Golf Course is now complete. Work is now focused on the rebuilding of the practice area. Shaping, irrigation tie-in and drainage are all complete and root zone material is installed. Final grading, sodding of green surrounds and sprigging of the green surfaces will be completed by the end of June.

Final placement of the forward tees on Lakes West has been determined and the locations have been marked. Construction of the forward tees will begin in July, following completion of the South Golf Course Practice area.

On June 24th and 25th the courses finish up the second of our major agronomic practices, fairway aerification on the Willowbrook Golf Course. Beginning June 27th, we begin the most disruptive practice, greens aerification, on Quail Run Golf Course. Both aerification practices are designed to relieve compaction and provide airflow to the root system of both surfaces. Aerification will finish on the Willowbrook Golf Course on August 7th. This year we have scheduled an extra day on each course for this process, the extra day will allow more time for clean-up and provide a buffer in the event of equipment malfunctions.

Lawn Bowling/Grounds

Routine mowing and rolling has resumed as of this week on lawn bowling greens. Bell was aerified on June 11th and Lakeview on June 13th. Cores were pulled and then sand was drug into the holes. After this process was completed the greens were watered, rolled and fertilized. We did not add top dressing during this process as we are working towards lowering the green surface. Beginning the week of June 24th weekly verticutting will be introduced to the routine maintenance schedule. The resurfacing of the Mountain View and Oakmont greens are advancing as expected.

The softball field was verticut and vacuumed on June 19th, this process will continue weekly to eradicate the rye grass and promote Bermuda growth. The field was fertilized on June 24th and followed by an herbicide application to control nutsedge; this application will also impact any remaining rye grass.

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!