

# RCSC Management Report – November 21, 2019

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## **Financial:**

### **Financial Report**

The Recreation Centers of Sun City, Inc. (RCSC) has ended October 2019 within its operating and capital budget year to date. All Divisions have met or exceeded their net operating budget projections year to date with overall income \$118k (1%) favorable to budget and operating expenses \$666k (4%) favorable to budget. Income favorability is driven by higher than budgeted Property Assessment income in the Building and Infrastructure Division. Operating expense favorability is primarily driven by lower payroll expense across multiple divisions as well as lower utility expense in the Golf Division. Year to date operating excess without projects favorability is \$719k (30%) favorable to budget. In the month of October RCSC has exceeded budgeted income by \$48k (3%). Operating expenses were slightly unfavorable to budget in October by \$3k (<1%). RCSC Net Operating Excess ended the month of October \$50k (25%) favorable to budget.

### **Cardholder Services**

Payments on past due assessments in October were 15.3% of past due balances. Overall accounts receivable decreased in October by 5.9% and is up 1.0% from the beginning of the year. Accounts receivable past due balances have decreased 5.0% since the beginning of the year. September assessments went 30 days past due at a rate of 7.3% and August assessments went 60 days past due at a 4.6% rate.

Payments from our third-party collections firm totaled \$10,526 in October. Year to date payments through our third-party collections firm totaled \$85,096. Payments made in October through the online RCSC Web Portal totaled \$125,912 from 286 property owners. Year to date web portal payments total \$1,323,508 from 2,890 property owners.

In October property transfer balances increased by 2.5%. Outstanding balances related to property transfers represent 53% of all receivables and 50% of past due balances. At the end of October trustee sale notices on Sun City AZ properties ended at 29 and properties owned by lending institutions remained at 4.

## **Projects:**

### **Bell Center**

- Library Book Drop

The return boxes continue to be open for use. The completion of the lighting modifications has been bumped in priority and is still pending. The costs of this project are to be reimbursed by the Friends of the Library.

Contractor: Regional Paving, Accel Electric, Kingsley Equipment (Cost \$67,403)

- Bell Electrical Outage

The custom A frame extractor pulley was built and the damaged cable was pulled from the conduit on 10/29/19. The conduit was then camera scoped to identify damage. There are multiple resources in the process of repair design and review including the electrical contractor, forensic electrical engineer and insurance adjuster. Each of these resources is a necessary part in the resolution process and while the additional review can extend the downtime they ensure that the repair solution is designed properly. The time for repair has been updated to be approximately 12/16/19 which is approximately 4 weeks longer than the original 6 week estimate. This is a projected timeframe and dependent upon multiple factors, inclusive of permit review and approval.

# RCSC Management Report – November 21, 2019

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## **Grand Center**

- Demo of all site items outside of the building has been completed. The demo of the interior slab has taken longer than anticipated due to areas of the slab being thicker than the projected 4" with some areas being up to 16" thick. Upon removal of the roof, a previously unidentified original roofing system was found to have been left in place and roofed over. The demo of this additional roofing system will add to the demo timeline. Footings for the exterior building additions are being set with concrete scheduled for installation on 11/15/19.
- The demo of the roadway, sidewalk and curbing for the new deceleration lane have been completed and progress is on track for completion of this work by Christmas.
- Time has been set with the Vintage Vehicle Club on 11/21/19 to finalize the space layout within the assigned space. This is the most critical input needed to finalize the plans for the second building.

## **Lakeview Center**

- Upper Restroom Remodel

This work is progressing. Exterior door changes have been completed. Wall and floor tile have been installed. The ceiling grid, lighting, HVAC connections have all been completed with above grid inspections passed. Pending are final ceiling, fixture, partition, countertop, and mirror installations and painting. This project is currently on schedule for completion the first week in December.

Contractor: KAW Construction (Cost \$130,000)

## **Marinette Center**

- Pool Deck Replacement

This project started on 11/11/19. The deck areas have been prepared. The removal of tiles in the outdoor shower area is taking longer to complete with work being done in other areas while this demo is completed. The pool coping edge was completed on 11/13/19 with the deck installation starting on 11/14/19. This project is currently on schedule to be completed during the identified closure period. This project will include the preparation of the delaminating areas of the current deck and the installation of a rubber decking material throughout the pool, spa and shower areas. Based upon historical usage of this facility this work will be completed from 11/11/19-11/27/19 with the pool area reopening for the Thanksgiving holiday weekend.

Contractor: Rubaroc USA Inc. (Cost \$125,328)

- Pool Filter Replacement

Work began on 11/11/19. The old filters have been removed and new filters placed in the pump room. Pipe connections were started on 11/12/19 and progressing. The work is on schedule and expected to be completed within the identified closure period. The replacement of the pool filters is scheduled for completion during the pool area closure from 11/11/19-11/27/19.

Contractor: Exceptional Water Systems, Osiris Pools (Cost \$31,261)

- Spa Filter Replacement

Work began on 11/13/19. The old filters have been removed and new filters placed in the pump room. Pipe connections will start by 11/15/19. The work is on schedule and expected to be completed within the identified closure period. The replacement of the spa filters is scheduled for completion during the pool area closure from 11/11/19-11/27/19.

Contractor: Exceptional Water Systems, Osiris Pools (Cost \$20,600)

- Pickleball Pavilion Control Joint Repairs

This work is complete, and the pavilion reopened on 11/8/19. An additional day of closure was required for the caulking to cure based upon the weather during this week. The crack in the East/West post tension slab control joint is scheduled for repair from 11/5/19-11/7/19. The caulking material in the following locations is deteriorating and will be replaced during this same timeframe:

# RCSC Management Report – November 21, 2019

---

North/South joint inside the pavilion, East/West joint at the north end of the pavilion, and the North/South joint in the north outside courts.

Contractor: Elite Sports Builders (Cost \$3,866)

- Walking Track Repair

This repair work is complete and the track opened for cardholder use on 11/13/19. The weather identified some additional areas for repair that resulted in extended closure time to complete the repairs. The lane striping is pending but the track has been opened and will be close again briefly to complete the lane striping in the coming weeks. The bubbling on the walking track at Marinette has been worsening this year. Moisture has been determined to be under the non-permeable track material and causing this problem. Approximately 100 linear feet of the track material on the north end of the track will be removed, the concrete slab cleaned, and a replacement permeable track material installed. The use of a permeable material is expected to allow any moisture to evaporate and not cause the problems that have been experienced. The removal of the existing track material is scheduled for 10/25/19 and 10/28/19 with the new track material to be installed from 11/1/2019 through 11/8/2019, inclusive of curing time. Striping will be completed later due to unavailability of that resource at this time. Spot repairs of areas outside of this section being replaced will be completed with the same permeable track material currently installed as the spot repairs cannot be completed with the different material.

Contractor: Elite Sports Builders (Cost \$19,995)

## **Mountain View Center**

- The following reports and surveys have been completed for the planning tasks for the renovation of Mountain View Center: title report to show property encumbrances and easements, topographical survey data, and soils testing/report.
- No tasks for included amenities or site/building design have been completed.

## **Sundial Center**

- Club Restroom Remodel

This work is progressing and nearing completion. All tile work is completed with fixtures, countertops and mirrors installed. Lighting and above ceiling grid work is also complete with final ceiling installation pending, along with the installation of partitions. This project is on schedule for completion ahead of the Thanksgiving holiday.

Contractor: DFG Builders (Cost \$114,000)

- East Parking Lot Lighting Improvements

No change on this project. The scheduling of this project has been pushed back due to the priority of other work. This is still projected to be completed by the end of the year. Additional lighting is being added to the solar canopies on the east side of the center to provide better night time illumination adjacent to the building. Similar fixtures have been added to other centers and provided the desired lighting improvements.

Contractor: Accel Electric (Cost \$7,667)

- Events & Entertainment Office

Initial demo, framing, electrical and low voltage cabling has been completed. Pending are drywall repair, texture, paint, flooring, lighting and furniture. Working to meet the projected move of the Events & Entertainment office to this space the week of Thanksgiving.

Contractor: RCSC Skilled Trades, Exquisite Painting, Accel Electric, DataLink (Cost \$30,000)

# RCSC Management Report – November 21, 2019

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- Storefront Door Repair

The storefront doors to the auditorium and club areas have been problematic and difficult to secure. Repairs have started to correct the operations and security of these doors. Repairs will be scheduled around events and projected to be completed by early December.

Contractor: Quality Lock & Key (Cost \$23,991)

## **South Pro Shop**

- Completed during overseeding were: parking lot asphalt and striping, patio counter, and interior pendant lighting. The exterior signage is still in the fabrication period and will be scheduled for installation when completed.

Contractors: Regional Paving, Bootz & Duke Signs, RCSC Skilled Trades (Cost \$52,915)

## **Solar:**

### **New Issues:**

- Fairway Rec Center - # 01  
No Weekly, Monthly, or Yearly History, 10/28/19. RCSC B&I staff reset and replaced battery. 10/31/19. Issue Resolved.
- Lakeview Lanes - # 11  
Inverter has an E18 error code 10/19/19. RCSC B&I staff reset and changed battery 10/21/19. Issue Resolved.
- WB/WC Maintenance - # 15  
No Weekly, Monthly, or Yearly History, 10/26/19. RCSC B&I reset staff and replaced battery 10/31/19. Issue Resolved.

### **Issues Resolved:**

- Quail Run Maintenance - # 11  
Inverter is down (Error IGBT not reaE034) 8/8/19. Inverter was replaced under warranty 10/31/19. Issue Resolved.

### **Open Issues:**

- Oakmont Rec Center - # 01/02/03/04/05/06  
The inverters at Oakmont Center are not reporting production data. This has been an outstanding issue since July 2018. The production meter shows overall production data for the site but the individual inverters are not reporting production to the AlsoEnergy aggregation reporting site. The AlsoEnergy data logger failed and was the first component replaced. An AlsoEnergy Tier 2 engineer was brought onsite after additional efforts to restore communications were unsuccessful. This resource identified failed communications cards on the inverters that was causing the communication problems. After replacing the communication card in one inverter communications remained down. Troubleshooting steps to bypass communication cables also were unsuccessful. The lack of production data affects the overall solar production reporting.
- Lakeview Rear - # 01/02/03/04  
Similar to the Oakmont site the inverters at the Lakeview Rear site stopped communicating with the AlsoEnergy data logger and thus the AlsoEnergy aggregation reporting site. The Lakeview Rear inverters are Fronius models similar to Oakmont Center with these two sites being the only Fronius inverters in the RCSC Solar environment. Fronius inverters were installed instead of the PowerOne/ABB due to having single phase rather than a three-phase power source.
- Lakeview Lanes - # 01/02/03/04/05/06/07/08/09  
Production results significantly lower than expected for this group of inverters. Four of the replacement SMA inverters were installed at this location and the production output was similar to the PowerOne/ABB models removed. DC voltages from the solar panels were field tested and did

# RCSC Management Report – November 21, 2019

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not indicate significant under supply of voltages. Additional investigation needed on these inverters to identify a cause of the under production and if preventative maintenance tasks positively affect performance.

## **Production Data:**

The lack of data from the Fronius inverters above negatively affect the overall tracked production data.

The data elements used in the comparison of actual production data to estimated or expected production are being reviewed with AlsoEnergy. There are concerns that the comparison data element being used does not accurately reflect actual weather data resulting in the analysis being off, or more negatively reported than actual. This has not yet been confirmed.

## **Preventative Maintenance:**

Analysis of the preventative maintenance proposals has been completed and RCSC will be selecting Kortman Electric to complete preventative maintenance tasks as well as ongoing technical support and repairs. Preventative maintenance tasks will be done on an annual basis with an additional lighter semi-annual onsite review of each inverter. The cost of the twice per year preventative maintenance work is \$18,000. Repairs required will be an additional expense. Upon executing the agreement, the work will begin and is estimated to take 3-4 weeks to complete all sites. Additionally, Kortman Electric will begin review of the Fronius inverters at Oakmont Center and Lakeview Rear to get these inverters communicating with AlsoEnergy.

## **Golf & Grounds:**

### **Pro Shops**

On December 12th we will be hosting a fundraising tournament to raise money for our chosen 2019 charity, the Sun City Foundation. The format will be Beat the Pro(s), which will be Brian Duthu (PGA) and Chris Linam (Pro Shop Manager) and will be made up of two person teams. Teams that beat the scramble score of the Pros will equally share the prize pool. The entry fee will be \$40 and the event will be held at the South Golf Course. In addition to bragging rights for beating the pros, there will also be a chance at a Pebble Beach Vacation.

In addition to our charity event, RCSC Pro Shops are also selling Duck Bucks to raise funds for the Sun City Foundation. The purchase of a Duck Buck enters you in the Duck Race held on December 13th as part of the Sun City Holiday Celebration event held at the Lakeview Center. The ducks are released from the waterfall and race to the finish line. If your duck finishes in the top three, you win a share of the pot based on the number of ducks racing. There are two separate races held on December 13th, don't be left without a duck in the race. In addition to the duck race there are other fun events held on the 13th, such as the pie walk, mini golf hole-in-one contest and money tree. The evening ends with the lighted boat parade.

We now have over 20 active Rangers participating in our Volunteer Ranger program and we thank them for their contribution. Anyone interested in learning more about the benefits of becoming a Ranger should contact Chris Linam (Pro Shop Manger) at 623-876-8419 or email at [clinam@suncityaz.org](mailto:clinam@suncityaz.org).

### **Snack Shops**

Snack Shops are now operating under winter hour and remain open until 5pm except in rare cases of significant weather. We respectfully remind everyone that all food and beverage consumed in the snack shops or adjacent patios must have been purchased through the snack shops.

# RCSC Management Report – November 21, 2019

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## **Golf Courses**

The courses that began overseeding on October 21 (South, Quail, Lakes East and Willowcreek) experienced slow germination at the beginning due mainly to the high winds. The cold temperatures that accompanied the winds also hampered the germination. The subsequent warm weather and the additional week of closure have proven beneficial with good germination on these courses. Areas that have been identified as weak have had additional seed added.

As play increases so does the stress on our courses. We remind all golfers that we all have a responsibility to keep our courses in good condition. Golfers assist by filling their divots, raking sand traps, replacing rakes in bunkers parallel to play and repairing ball marks. During times of cart path restrictions please remember to take your sand bottle to the fairway.

## **Lawn Bowl and Grounds**

The 2019 US Lawn Bowl Open ended on the 9th of November. A total of 340 bowlers from 10 different countries participated in the event. Sun City AZ residents represented well in the event, below are the residents who were on teams that placed in the top four places of the Championship Flight.

### Women's Fours

- 1st – Donna Law, Ann Sherman, Sharon Perry
- 2nd – Jean Roney, Rosalie Parsons-Brown, Sue Roth
- 3rd – Mary Wright

### Women's Pairs

- 2nd – Jean Roney
- 3rd – Alice Birkinshaw

### Women's Singles

- 1st – Mary Wright
- 3rd – Lorraine Hitchcock

### Women's Bowler of the Tournament

Mary Wright

### Men's Singles

- 4th – Mike Wagner

The Grounds department has settled into their normal winter maintenance routine at all Centers. Weak areas of overseed have had additional seed spread and are responding.

## **General:**

For those who may not be aware, the monthly management report is available on our website [www.suncityaz.org](http://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!