

RCSC Management Report – December 12, 2019

Financial:

Financial Report

The Recreation Centers of Sun City, Inc. (RCSC) has ended November 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 total operating income \$88k (1%) favorable to budget and operating expenses \$515k (3%) favorable to budget. Income favorability is driven by higher than budgeted income in the Building and Infrastructure and Bowling Divisions partially offset by lower Golf income. 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 is \$641k (20%) favorable to budget.

Cardholder Services

Payments on past due assessments in November were 10.2% of past due balances. Overall accounts receivable decreased in November by 6.2% and is up 1.0% from the beginning of the year. Accounts receivable past due balances have increased 2.0% since the beginning of the year. October assessments went 30 days past due at a 6.4% rate and September assessments went 60 days past due at a 2.9% rate.

Payments from our third-party collections firm totaled \$4,520 in November. Year to date payments through our third-party collections firm total \$89,616. Payments made in November through the online RCSC Web Portal totaled \$102,733 from 235 property owners. Year to date web portal payments total \$1,426,241 from 3,125 property owners.

In November property transfer balances decreased by 3.2%. Outstanding balances related to property transfers represent 51% of all receivables and 53% of past due balances. At the end of November trustee sale notices on Sun City AZ properties ended at 30 and properties owned by lending institutions increased to 5.

Projects:

Bell Center

- **Mini Golf Carpet**
The carpet at the mini golf area has deteriorated significantly over the past month with some of the condition projected to be related to small animals on the course. The course was closed as of 12/10/19 for evaluation and completion of temporary repairs. Upon completion of temporary repairs, the course will be reopened for use with hole 5 remaining closed due to its condition. Due to the number of affected holes the replacement of the carpet will be done with bids being sought. It is anticipated that the replacement of the carpet can be scheduled in January but is dependent upon scheduling with the selected contractor.
Contractor: TBD (Cost TBD)
- **Library Book Drop**
The lower priority of this project has resulted in the completion being delayed. The installation of the lighting components for this project are currently scheduled for the week of 12/23/19.
Contractor: Regional Paving, Accel Electric, Kingsley Equipment (Cost \$67,403)
- **Bell Electrical Outage**
The excavation in preparation of conduit installation located a spare conduit running between the two panel locations. This additional conduit was scoped on 12/9/19 and found to be intact without any water intrusion. The availability of this conduit allows for a less complicated installation requiring the installation of new conduit paths. The new transformer was received and installed as of 12/12/19. A power outage has been scheduled for the early morning of 12/13/19 to pull the feed cables through the conduits to the craft area distribution closet. No further power outages affecting the center will be necessary. There have been some production delays on the manufacturing of the new panel being

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fabricated to terminate the power feeds. Completion of the work to restore power to the craft club area is dependent upon receipt of this custom panel. If this is received by 12/13/19 then it is anticipated that the target of 12/16/19 can be met. Otherwise there would likely be several additional days of delay until this panel is received and installed.

Grand Center

- Stem walls for the building addition are going vertical from the footings and are ongoing. Offsite work on 103rd Ave for water feeds for domestic use and fire lines expected to be completed by 12/13/19. Placement changes for the location of the fire riser and fire department FDC have been determined and being roughed in. Site grading is being completed with retention areas being cut in and the site dry well being dug. Underground plumbing completed as of 12/10/19 and awaiting inspection. Electrical rough in to begin by 12/16/19.
- Met with the architect and each club on 11/21/19 to review finished and verify layouts. A few changes were identified and are being accommodated in the design.
- The construction of the deceleration lane on Grand Ave has been completed and within the permit window that ends on 12/17/19. ADOT is requiring installation of landscaping before signing of on the final inspection. This was planned for the end of the project and the area adjacent to the ADOT right of way will be completed at this time for the final inspection approval.
- Met Vintage Vehicle Club on 11/21/19 to finalize the space layout within the assigned space. Based upon this meeting we have a final layout for the space for this club and proceeding with the civil and mechanical design work for the second building necessary for development of the building plans.

Lakeview Center

- Upper Restroom Remodel
This project has been completed. The final inspection was passed, and the restrooms opened for use as of 12/10/19.
Contractor: KAW Construction (Cost \$130,000)

Marinette Center

- Pool Deck Replacement
This project has been completed with the pool and spa areas open for cardholder use on 11/29/19.
Contractor: Rubaroc USA Inc. (Cost \$125,328)
- Pool Filter Replacement
This project has been completed with the pool and spa areas open for cardholder use on 11/29/19.
Contractor: Exceptional Water Systems, Osiris Pools (Cost \$31,261)
- Spa Filter Replacement
This project has been completed with the pool and spa areas open for cardholder use on 11/29/19.
Contractor: Exceptional Water Systems, Osiris Pools (Cost \$20,600)
- Walking Track Repair
The walking track was closed on 12/11/19-12/12/19 to complete the track striping. After a day of curing the walking track will be opened for cardholder use again on 12/13/19. This project will then be complete.
Contractor: Elite Sports Builders (Cost \$19,995)

Mountain View Center

- No additional progress for the period ending 11/30/2019.
- 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.

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Sundial Center

- Club Restroom Remodel
This project has been completed with the restrooms reopened for use on 11/19/19.
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. The fixtures have all been received with installation scheduled to be completed by 12/20/19. This project adds lighting 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
This project has been completed.
Contractor: RCSC Skilled Trades, Exquisite Painting, Accel Electric, DataLink (Cost \$30,000)
- Storefront Door Repair
This project is in progress. One door has been completed with the remaining doors delayed due to limited part availability. This work will be completed upon receipt of the necessary parts. This project includes work on the storefront doors to the auditorium and club areas that have been operationally problematic and difficult to secure.
Contractor: Quality Lock & Key (Cost \$23,991)

South Pro Shop

- The exterior signage was installed on 12/6/19. The additional work for this project is complete with the overall project now fully complete.
Contractors: Regional Paving, Bootz & Duke Signs, RCSC Skilled Trades (Cost \$52,915)

Solar:

New Issues:

- Quail Run Maintenance - # 02
No Weekly, Monthly, or Yearly History, 11/4/19. Clock Failure. RCSC B&I staff reset and replaced battery. 11/12/19. Issue Resolved.
- Fairway - # 14
Inverter has an E018 error code 11/27/19. Resolution is pending.

Issues Resolved:

No outstanding issues resolved this month.

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. No resolution to this data integration reporting issue this month.
- 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. No resolution to this data integration reporting issue this month.

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- 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 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. No resolution to this production issue this month.

Production Data:

The lack of data from the Fronius inverters above negatively affect the overall tracked production data. We have continued to review the data elements being used to track and compare production. We have not identified changes to the tracking methodology necessary although some verification of inconsistent inclusion of weather data has been verified.

Preventative Maintenance:

The start of the preventative maintenance and review of each inverter has not yet begun with the process anticipated to begin in the next few weeks.

Golf & Grounds:

Pro Shops

Total rounds for November were down 2,598 rounds from previous year due to the heavy rains over the last two weeks of the month. For the year, total rounds are up 3,354 rounds from prior year despite the poor start to the year and the poor finish in November.

The free clinics, hosted by our independent teaching professionals, proved popular again this year. For the month, 400 residents and their guests attended the clinics held in November. Over the course of four weeks, classes were taught on chipping, putting, irons and woods. The teaching professionals will be hosting another series of free clinics in March.

Snack Shops

Snack Shop revenue was also hampered in November by the heavy rains. Snack shops are currently open every day from 6:00 a.m. to 5:00 p.m. and serve breakfast and lunch. The only exception to the hours are during periods of inclement weather.

Golf Courses

Mowing heights are slowly being lowered and equalized among the courses following overseed. Overseeding was successful this year despite the cold and windy period during the second wave of overseeding. Slowest to respond were the greens at Willowcreek. The extra week of closure and additional seed have helped the Willowcreek greens recover. Normal mowing heights will also encourage the greens to grow laterally, helping to fill in the weak areas. The greens were also top dressed to improve roll.

Lawn Bowl and Grounds

The pace of the greens range from a low of 13.0 seconds on Oakmont to a high of 14.2 seconds on both Lakeview (West) and Bell (South). Greens were on an irrigation "rain-hold" for the end of November and the first couple weeks of December. All greens are draining well and are not showing signs of excessive moisture. Mowing height is currently .120" and will remain so for the rest of the winter season. Greens are mowed once per week, mostly to clear debris, and are rolled two to three times per week.

The grounds crew has adjusted the cleaning schedule of the dog park as the normal cleaning day falls on Christmas. The dog park will be cleaned on December 24 and will be reopened by 8:00 a.m., we thank you for your patience. The heavy rains have also brought out winter weeds; the crew will be spraying and removing on an as needed basis.

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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!