

RCSC Management Report – February 27, 2020

Financial:

Financial Report

The Recreation Centers of Sun City, Inc. (RCSC) has ended January 2020 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 \$164k (7%) favorable to budget and operating expenses \$240k (16%) favorable to budget. Income favorability is driven by higher than budgeted income across all Divisions led by the Building & Infrastructure and Golf Divisions. Operating expense favorability is primarily driven by lower payroll, utility and general operating expenses across multiple Divisions. Year to date operating excess without projects favorability is \$380k (50%) favorable to budget.

Cardholder Services

Payments on past due assessments in January were 12.6% of past due balances. Overall accounts receivable decreased in January by 0.3% and is up 2.0% from the end of last year. December assessments went 30 days past due at a 6.3% rate and November assessments went 60 days past due at a 4.5% rate.

Payments from our third-party collections firm totaled \$7,979 in January. Payments made in January through the online RCSC Web Portal totaled \$132,318 from 295 property owners.

In January property transfer balances increased by 5.3%. Outstanding balances related to property transfers represent 56% of all receivables and 55% of past due balances. At the end of January trustee sale notices on Sun City AZ properties ended at 31 and properties owned by lending institutions decreased to 2.

Projects:

WiFi Upgrades

All Cox service upgrades have been completed. Required additional access points have been received from our service provider. Necessary switch hardware and power over ethernet injectors have also been received. During this ordering window the IT Department has completed the remaining Windows 7 system replacements or upgrades to Windows 10 to move away from the Windows 7 operating system that went end of life in January 2020. Scheduling of the access point installations for the WiFi project will now be scheduled.

Bell Center

- Mini Golf Carpet

The rain at the beginning of this project did not significantly affect the work schedule. The carpet replacement was completed as of 2/18/2020. The starting line painting and drain cover installation are scheduled for 2/19/2020. The course is on schedule for reopening by 2/21/2020.

Contractor: Baker Brothers, Exquisite Painting, RCSC Skilled Trades (Cost \$34,429)

- Bell Library Roof Ladders

Roof ladders have been installed over parapets between roof sections on the roof above the Bell Library. Adding the two ladders was completed to address safety concerns for those working on the roof of this building.

Contractor: WD Manor (Cost \$11,735)

- Bell Lanes West and East Entry Lighting Improvements

Lighting improvements are planned for both entries at Bell Lanes, as well as the rear driveway serving George's Café. Lighting fixture replacements will be scheduled upon delivery from the manufacturer and is estimated to be done the week of 3/9/2020.

Contractor: Accel Electric (Cost \$5,310)

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- Table Tennis Room Light Diffuser Replacements

Replacement diffusers for the light fixtures in the table tennis room have been ordered and will be installed when received. The current diffusers have been replaced over time and do not project a consistent lighting color in the room. Replacement diffusers will provide even light levels and color. Contractor: RCSC Skilled Trades (Cost \$1,550)

- Lighting Improvements to Central Plant Building

Lighting fixtures in the HVAC central plant building will be upgraded to LED fixtures in providing additional light inside the building. Additional lighting is also being added outside the building to better illuminate walking pathways. This lighting will be installed the week of 3/9/2020. Contractor: Accel Electric (\$4,824)

Fairway Center

- Electrical for Sterling & Stones Club

Lighting and electrical changes, including the addition of drop-down electrical cords (6) over worktables, was planned for this club room. This work was completed on 2/18/2020. Contractor: Accel Electric (Cost \$4,259)

Grand Center

- The site wall was started on 2/14/2020. The South and West sections of the wall will be completed to the 5' height by 2/24/2020. These sections of wall will then be grouted. Upon completion of grouting the remaining 3' of wall will be completed.
- The North section of the site wall on the 103rd Ave side is pending the movement of two CenturyLink pedestals that are located where the wall footing is to go. Engineering design work for the move of these pedestals was completed as of 2/13/2020 and awaiting CenturyLink production scheduling.
- Site concrete work, sidewalks and curbing is scheduled for the first two weeks of March.
- Asphalt is scheduled for the end of March and is dependent upon the completion of the site wall.
- Roof penetrations for data services to roof lines is to be completed by 2/21/2020 with the installation of the roofing system on the existing building shell starting 2/24/2020. This is expected to take 5 days to complete.
- Much of the interior steel stud walls have been installed in the existing building shell with electrical conduit and plumbing rough ins being completed.
- The knee wall for the greenhouse has been formed and scheduled for concrete pour in the next week. After the forms are pulled the interior floor slab of the greenhouse will be poured.
- Stamped plans for the greenhouse have been received and equipment submittals reviewed and approved. Pending are the mechanical, electrical and plumbing plan sections. Upon completion the deferred permit submittal for the greenhouse structure will be filed with Maricopa County.
- Of significant concern is the availability of the steel joists to support the roofing system on the additional sections of the building. This is approximately 5,000 sf of roofing that is pending. The steel supplier has reported a delay in shipment from the first week in March to 3/28/2020. This delay in placing the joists and thus the roof delays all interior work in these areas of the building. The schedule had pushed to late May/early June with the general contractor expecting to make up time on the schedule. With the steel delay this make up time is not expected, and the overall schedule is projecting out to the end of June.
- The full working set of plans for Building II were reviewed with the architect on 2/6/2020. Adjustments were needed with comments back to the mechanical engineer and electrician for changes. Revised copies are to be received by 2/28/2020. It is expected these plans will be complete and ready for permit application. The additional club room will be noted for a deferred submittal for permitting that space so the remainder of the building can proceed ahead.

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Lakeview Center

- Indoor Spa Dehumidifier Replacement

No change for this project as we are awaiting confirmation of shipment from the manufacturer. The installation timeframe is still expected in March 2020. The dehumidifier in the indoor spa at Lakeview Center is aged and scheduled for replacement in 2020 due to increasing performance problems and costs to repair. The bid packet has been approved by the Bid Commission and the unit ordered. There is a 10-12 week lead time for delivery of the unit.

Contractor: WD Manor (Cost \$90,495)

- Indoor Spa Pump Room

Repairs to the indoor spa pump room will be completed during the closure of the spa for the replacement of the indoor dehumidifier. Work will include wall framing, installation of wall board and FRP panels to repair the wall and reduce moisture exposure in the future and the replacement of a hollow metal door into a service area. Additionally, the replacement of three spa motor starters will be completed during this maintenance window. One of these antiquated starters failed in 2019 and was replaced with the remaining three scheduled for replacement in 2020. Bids from contractors and selection are pending.

Contractor: TBD (Cost TBD)

- Lakeview Lanes West Parking Lot Lighting Enhancements

Additional lighting in the west parking lot at Lakeview was identified to be needed. LED fixtures will be mounted on the two light poles in the west lot. Two additional light poles will be added to the far west end of the lot to extend lighting through to the southeast end of the Lakeview parking lot. Scheduling is pending receipt of the fixtures.

Contractor: Accel Electric (Budget \$18,000)

- Lakeview Lanes Café Water Heater Replacement

The 100-gallon water heater supplying the Lakeview Lanes Café is failing and is being replaced. Replacement is scheduled for Friday 2/21/2020.

Contractor: Sunland Plumbing (Cost \$8,208)

Mountain View Center

- No change for this project and waiting input from the ad hoc committee before proceeding with site design work.
- 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.

Oakmont Center

- Water Heater Replacement

The water heater supplying the Men's locker room is failing and scheduled for replacement. The unit has been ordered with installation estimated for mid-March based upon order lead times.

Contractor: Sunland Plumbing (Cost \$4,988)

Riverview Golf Course

- Parking Lot Lighting Upgrades

The current metal halide light fixtures at the Riverview Golf Course are being replaced with LED retrofit kits. The operational costs of the current fixtures and bulb replacements are high. The replacement LED fixtures have been ordered and anticipated for installation in early March.

Contractor: PLG, LLC, Utility Construction (Cost \$9,432)

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Sun Bowl

- Parking Lot Wheel Stop Block Painting

The parking lot wheel stop blocks and light pole bases are being painted. Work was completed by 2/19/2020.

Contractor: Exquisite Painting (Cost \$5,720)

Sundial Center

- Water Heater Replacement

The 100-gallon water heater supplying the center was scheduled for replacement in 2020. This unit will be replaced with a Rinnai tankless unit, an insulated 100 gallon holding tank, and a soft water system. The existing recirculation pump will be re-piped to function with this replacement system. Installation is to be completed by 2/28/2020.

Contractor: Sunland Plumbing (Cost \$17,255)

Solar:

New Issues:

- Lakeview Production Meter
Production meter is not responding 2/14/2020. B&I reset did not resolve issue. Kortman notified 2/14/2020. Issue Open.
- Sundial - # 10
During PM service Kortman found a hot AC disconnect 1/24/2020. AC disconnect replaced 2/3/2020. Issue Resolved.
- Sundial - # 14
Inverter is only producing 1/6/2020 of what it should be. Kortman notified 2/12/2020. Open Issue.

Issues Resolved:

- Lakeview Lanes - # 10
Inverter had an E018 error code 12/22/19. B&I reset this inverter on 1/6/2020 which cleared this error condition.

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. Focus has been on the preventative maintenance tasks below.

- 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. Focus has been on the preventative maintenance tasks below.

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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. Focus has been on the preventative maintenance tasks below. The preventative maintenance steps may identify solutions when these inverters are addressed.

Production Data:

The distribution of production meter data for Fronius inverters was reported in the January 2020 management report to still be outstanding. This distribution of actual production data available at the production meter but not from each inverter was distributed on the tracking sheet to each inverter last month. The change in overall production data was incorrectly attributed in this prior report to only the adjustment for weather. The allocation of previously unreported production for the Fronius inverters at Lakeview Rear and Oakmont also contributed to this positive change in reported production data.

The adjustment for weather has been completed for the 2017 year with the overall production data for 2017, 2018, and 2019 now reflecting this adjustment. Years 2014-2016 remain pending and being scheduled for adjustment. Each year change requires researching weather for the exemplar inverters and calculation of adjusting percentages each month. Subsequently each year requires over 2,200 cell edits that we are unable to automate. With the changes completed for 2017 the overall production over the lifetime of RCSC solar systems changed from (0.17%) to 3.24% compared to expected production. The positive to negative inverter production ratio changed from 101/76 to 132/45. Approximately 30% more inverters showed positive overall production from the adjustment for weather and allocation of production meter data.

The individual inverter level production in January 2020 showed more inverters with negative production to expected even after adjusting for weather. A review of solar panel installation shows sites with shade from trees or orientation that is not southern facing. With the sun lower in the sky in January these installation attributes are more affecting in the winter months than during the summer when the sun is higher in the sky. The January 2020 data reduction represents a pattern consistent with prior years with production increasing as springtime brings a higher sun.

Preventative Maintenance:

RCSC has selected Kortman Electric to complete the preventative maintenance on the RCSC solar systems. This work for the inverters has been completed. The review of each combiner box and string wiring is in progress. This work is expected to run through mid-March. A reporting of findings and repairs will be put together upon the completion of both steps at each location.

Golf & Grounds:

Pro Shops

In April RCSC will begin field testing our new automated draw system. This system will eventually replace the in-person draw system at all RCSC golf courses. For the initial trial we have selected Riverview as the test site. The automated system is designed to handle player counts of 1 to 50 players and designed to keep players together in adjacent tee times. Players wishing to be included for the draw will be able to register through the portal or through the pro shops via a paper slip placed into a secure box. Registration for the draw will begin 7 days ahead of the draw date, which

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would be 12 days ahead of the requested play date. As an example; a group wishing to play on the 29th, would be drawn on the 24th, this group would be able to sign up for the draw between the 17th and 23rd. Groups will have the option of selecting the course or courses they wish to play as well as a range of times that are desired. The actual draw will occur prior to 6:00 a.m. and players will be notified via email of the time assigned. It will be important to cancel lottery requests if a player(s) knows they will not be available on the day of play, as the system will track player history and assign lower priority to players with frequent no shows or cancellations. For this reason, it will also be important to enter only players that will be playing on the day of play.

Groups larger than 30 players may place tee time bookings on the tee sheet ahead of the automated draw process by paying a \$2.00 per player booking fee per tee time. This booking fee is prepaid with the tee time booked up to 2 months in advance. Schedule and course preference must be submitted at time of payment. Previously booked tournaments supersede small group booking requests. No sweeps will be collected for small group bookings and the fee is non-refundable. Bookings will be made through the Golf Administrative Offices at Riverview.

Free golf clinics will be offered March 7, 14, 21 & 28 at Lakes East/Lakes West, classes begin at 9:30 a.m. Topics covered are Ball Flight, Golf Swing Fundamentals, Chipping and Putting. There is no need to preregister and the clinics are open to golfers of all skill levels. The clinics are a great introduction to the game of golf or a great way to brush up on your game. Clinics are conducted by PGA professionals.

Snack Shops

Snack Shops are scheduled to close at 5:00 p.m., however as we move into longer daylight hours, closing times may be extended, based on demand. Hours may be adjusted during periods of inclement weather.

Golf Courses

We have not received any requests to alter the overseed/aerification schedule as presented in January. As such we will be moving forward with the schedule as presented. The schedule will be posted to the RCSC website in the near future.

As we move into spring, we can expect an increase in golf rounds. With increased rounds, come increased wear and tear. As temperatures warm throughout the spring, these wear and tear areas heal faster, however we still need golfer support. We ask everyone to please fill your divots and fix your ball marks. With increased play, slow play instances become more likely. We ask everyone to please practice ready golf by playing your shot as soon as possible and when it doesn't interfere with your playing partners or the group ahead; move to your ball whenever it is safe to do so; avoid excessive practice swings; read your putt ahead of your turn; and, record scores on the following tee box.

Lawn Bowl and Grounds

The pace of the greens range from a low of 14.0 seconds on Mountain View to a high of 15.6 seconds on Bell (South). Green watering has increased to twice per week, Bell and Oakmont are watered on Monday and Friday nights, Lakeview and Mountain View are watered on Tuesday and Saturday nights. Adjustments to the watering schedule are made to accommodate tournament play. Greens are currently mowed on an as needed basis, which has been once per week. This frequency will increase as we move into longer and warmer days. Ditches are cleaned and raked every other day, in conjunction with green rolling.

Focus on weed eradication remains a priority for the grounds crew. We have recently begun applying a wetting agent to the area near home plate at the softball field as a means of reducing dust. Early reports from players have indicated success.

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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!