

RCSC Management Report – May 28, 2020

Financial:

Financial Report

The Recreation Centers of Sun City, Inc. (RCSC) has ended April 2020 within its operating and capital budget year to date. All Divisions, with the exception of Bowling and Food Service, have met or exceeded their net operating budget projections year to date with total operating income \$107k (1%) favorable to budget and operating expenses \$515k (9%) favorable to budget. Bowling and Food Service declines are driven by the COVID-19 closure and restrictions. Income favorability is driven by higher than budgeted income in 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 \$629k (25%) favorable to budget. Although Year to Date we are exceeding our operating budget, RCSC is continuing to see the effect of the COVID-19 related shutdown with overall April monthly Gross Income \$70k (4%) below budget.

Cardholder Services

Payments on past due assessments in April were 9.8% of past due balances. Overall accounts receivable increased in April by 10.4% and is up 20.3% from the beginning of the year. Overall accounts receivable past due balances have increased 23.3% since the beginning of the year. March assessments went 30 days past due at a 10.4% rate and February assessments went 60 days past due at a 12.5% rate.

Payments from our third-party collections firm totaled \$5,131 in April. Year to date payments through our third-party collections firm total \$27,526. Payments made in April through the online RCSC Web Portal totaled \$247,101 from 539 property owners. Year to date web portal payments total \$722,234 from 1,576 property owners.

In April property transfer balances increased by 9.1%. Outstanding balances related to property transfers represent 49% of all receivables and 52% of past due balances. At the end of April trustee sale notices on Sun City AZ properties ended at 23 and properties owned by lending institutions remained at 3.

Projects:

WIFI Upgrades

The IT Department has been configuring the access points previously received in preparation of deployment.

Bell Center

- Table Tennis Room Light Diffuser Replacements

This work has been completed. Diffusers have been received and continue to be pending installation due to the priority of other work. 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)

- Replacement of Pool Deck

Due to additional scheduling challenges this work began in 5/11/2020. As of 5/20/2020, the deck areas are complete and work is starting on the coping, wall caps and vertical areas. The pool and spa areas are projected to reopen by 5/28/2020. The replacement of the pool deck with a rubber surface material similar to that installed at Marinette Center in 2019 was slated for completion later in the year. This project has been rescheduled for earlier completion. This will include the surface

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preparation and installation of the material on all deck surfaces and the caps of the walls on the interior of the walking pool.

Contractor: Rubaroc USA (Cost \$276,527)

- Repair of Fitness Center Wall

This work has been completed. The wall between the indoor spa and fitness free weight area had water damage with repairs necessary. This work includes the demo of the wall materials, removal of damaged mirrors, environmental remediation, and replacement of both the wall and mirrors. This work includes the replacement of the cracked mirror on the adjacent wall in the fitness area. This work is in progress.

Contractor: BluSky Restoration, Jocorran Glass (Cost \$14,745)

- Library Roof Repair

This work has been completed. This work included the repair of the roof under an HVAC curbing. Previous repairs had not correctly identified or resolved the problem. Water tests after the completion of the repairs verified the successful completion of the repair.

Contractor: Tremco (Cost \$2,800)

Fairway Center

- Paint Exterior of Quail Run Pro Shop

This work has been completed. The exterior of the Quail Run Pro was scheduled for painting.

Contractor: Exquisite Painting (Cost \$4,780)

Grand Center

- Asphalt installation and striping for the parking lot is complete.
- All above ceiling inspections have passed with ceilings being closed up and lighting turned on.
- All exterior stucco and color coating have been completed.
- Metal trim on exterior wall pop outs has been installed.
- Restroom wall and floor tile is complete with millwork, countertops, partitions and fixtures having been installed.
- Concrete floors have been prepped and sealed. Tile in entry hallway and kitchen has been completed.
- Exterior structure of the greenhouse has been installed with the polycarbonate sides going on.
- The filing for the temporary certificate of occupancy has been completed to allow for inspections and receipt of the TCO by the substantial completion date.
- The scheduled substantial completion date continues to be the first week in June.
- Comments received from the Drainage, Engineering and Zoning review of the resubmitted plans for building II. Included were new comments not included in the first review that required additional response. The civil engineer has been working closely with the plan reviewer on the required changes to ensure all areas are addressed. Among these new comments was the requirement for APS to sign off on the placement of the canopy that is over the electrical easement on the property. With the outsourced building review having been approved, the remaining reviews for the resubmittal are internal at Maricopa County which have to date been completed timely.

Lakeview Center

- Duffeeland Parking Lot Repairs

Based upon the cost of the bids to complete this work, the RCSC Grounds department will provide and install the necessary quarter minus necessary to smooth out the bumps in the parking lot. This work includes the painting of the wheel stops in the parking lot caution yellow and levelling out the gravel parking lot. The painting of the blocks is complete and pending review of bids for the parking lot leveling.

Contractor: Exquisite Painting, RCSC Grounds (Budget \$4,000)

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Lakes East/West Maintenance Yard

- Work has been completed on required spacing needed for all equipment, storage, and office needs.
- A building space plan and site plan has been completed. This has been provided to the architect to complete formal design drawings from.

Mountainview 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 Mountainview Center: title report to show property encumbrances and easements, topographical survey data, and soils testing/report.

Sundial Center

- Flooring Installation in Office

This work has been completed. The carpet in the office at Sundial was scheduled for replacement with LVT. The existing carpeting was installed over an old VCT floor tile. This work requires environmental remediation in the removal of this old VCT. Upon completion of this demo and remediation the new LVT will be installed. Work is in progress.

Contractor: JRM Environmental, Damage Control, Resource AZ (Cost \$6,388)

- Auditorium Floor Refinishing

The wood floor in the auditorium is being repaired and refinished. This work is expected to be completed by 5/25/2020.

Contractor: Enmar Flooring (Cost \$13,056)

- Exterior Painting Lakes East/West Cart Barn and Talisman Hall

This work has been completed. This included the painting of the exterior of the building housing the cart barn, snack shop and Talisman Hall at the Lakes East/West golf course.

Contractor: Exquisite Painting (Cost \$7,570)

Solar:

New Issues:

- Bell Center Café - # 4
On 5/4/2020 the GFCI fuse on this inverter failed. The fuse was replaced, and the inverter is operational.
- Willowcreek Maintenance Data Loggers
On 5/1/2020 the two data loggers at this site began a cycle of going offline and coming back online. After troubleshooting steps, the RCSC IT Department identified a cabling problem. This was corrected and the data loggers came back online, synchronized data and have been consistently online since.

Issues Resolved:

- Sundial - # 14
The warranty replacement inverter was received on 5/4/2020 and installed on 5/5/2020. This inverter is operational and producing.

Open Issues:

- Lakeview Production Meter
Production meter is not responding as of 2/14/2020. B&I reset did not resolve issue. Production information is available from the individual inverters at this time although not from the production meter. To date this issue has not been resolved.

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- 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.

Upon further review with the manufacturer the replacement component for the data logger at this site is no longer available due to obsolescence. A replacement for the data logger is required and being ordered.

- 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.

Pending confirmation of restored functionality at Oakmont Center.

- 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:

After including April production data, the lifetime to date production vs expected is relatively unchanged and is over expected by 5.74%. The percentage of inverters producing above expected remains at 81%.

Maintenance completed by RCSC B&I staff this past month on all combiner boxes mounted horizontally. We have experienced gasket failures on these boxes that has permitted water leakage into the combiner boxes. This gasket maintenance was tested and verified to prevent standing water on the enclosure door seal from entering the combiner box.

Golf & Grounds:

Pro Shops

Total rounds for April were 35,594, which was 2,449 higher than prior year and the highest recorded total for April in the last 11 years. For the year we have played 151,138 rounds, which represents our second highest 4-month total in the past 5 years. Among the regulation courses, Lakes West has played the most rounds (23,278), Riverview has the second highest total (23,027), followed by South, Willowcreek and North. For the executive courses, Lakes East has played the most rounds (16,025), followed by Willowbrook and Quail Run.

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

With the lifting of Governor Ducey's "Stay at Home" order, snack shops have expanded menus to include breakfast and deli sandwiches. Closing time will remain on summer scheduled time of 1pm.

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Golf Courses

Fairway aerification begins May 28, 2020 on Willowcreek and continues through June 22, 2020 on Quail Run. During this period of course maintenance the courses will be closed in two-day blocks. The full aerification schedule can be found on the RCSC website (www.suncityaz.org) under the golf tab.

With the reopening of the RCSC Centers, we have had some questions from the golf community why there are still restrictions. The Golf division remained open as an essential service declared by Governor Ducey and operated under the Phase One guidelines. The Golf Division will continue operating under each Phase as directed by Governor Ducey until we reach Phase 3 and social distancing restrictions are eased.

Lawn Bowl/Grounds

All Lawn Bowl greens have been verticut to a depth of one quarter inch through use of our planar. This is the second verticutting this season, the first was less aggressive and utilized our walk behind mowers. Greens were rolled with a heavy roller the week of May 18, 2020 to help create firmness following the verticutting.

Weed season has slowed down enabling the Grounds team to catch up in most areas. Turf areas are still going through transition from winter rye to summer Bermuda. During this period of transition areas of brown turf will not be unusual.

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!