

RCSC Management Report – June 25, 2020

Financial:

Financial Report

The Recreation Centers of Sun City, Inc. (RCSC) has ended May 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 \$36k (~1%) favorable to budget and operating expenses \$725k (10%) favorable to budget. Bowling and Food Service declines are driven by the COVID-19 closure and restrictions with Bowling remaining closed until Phase II of the reopen plan. 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 \$760k (29%) favorable to budget. RCSC is continuing to see the effect of the COVID-19 related shutdown with May monthly operating income shortfalls in Bowling and Food Service totaling \$73k. However, Golf operating income excess of \$65k in May partially offset the shortfall.

Cardholder Services

Payments on past due assessments in May were 14.3% of past due balances. Overall accounts receivable decreased in May by 1.2% and is up 18.8% from the beginning of the year. Overall accounts receivable past due balances have increased in May by 2.5%. April assessments went 30 days past due at a 6.5% rate and March assessments went 60 days past due at a 2.4% rate.

Payments from our third-party collections firm totaled \$11,421 in May. Year to date payments through our third-party collections firm total \$38,947. Payments made in May through the online RCSC Web Portal totaled \$217,790 from 483 property owners. Year to date web portal payments total \$940,024 from 2,059 property owners.

In May property transfer balances decreased by 1.2%. Outstanding balances related to property transfers represent 49% of all receivables and 52% of past due balances. At the end of May trustee sale notices on Sun City AZ properties ended at 22 and properties owned by lending institutions remained at 3.

Projects:

WiFi Upgrades

The IT Department has been working on the installation of the WIFI upgrades in club areas. The cabling contractor is currently working at Bell Center to complete the required conduit and cabling to the club spaces. As noted below, the installation at Grand Center has been completed.

Bell Center

- Replacement of Pool Deck

This project is complete, and the pool area reopened on 6/5/2020. 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 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 \$261,816)

- Craft Club Area Sewer Pipe Reline

This work has been completed. The sewer line in the craft club area at Bell Center was identified as extremely deteriorated. This sewer drainpipe was scheduled for relining before it deteriorated further to a state where excavation of concrete was necessary to repair the line. This repair of 200 feet of

RCSC Management Report – June 25, 2020

pipe was completed over two and a half days where all club rooms in the area were required to be closed.

Contractor: Sunland Plumbing (Cost \$35,000)

Grand Center

- The final Certificate of Occupancy is pending and expected very soon.
- The general contractor is completing the final pending items with these expected by 6/19/20.
- Final review of the greenhouse environment control system is pending. Upon that review the on-site training of this system for RCSC staff and the club will be scheduled.
- RCSC has moved in the furniture components that were built by RCSC. Additional furniture in club rooms is being installed.
- Installation of the audio and video components in the Sonoran Room (meeting room) are in progress.
- The internet connectivity to the building has been turned up and the WiFi installation at this center is in place.
- The club rooms have been reviewed with each club and the moving of club items into the building is beginning. This is the first step to get club items into the rooms with the club needing to organize and prepare the space before opening for club member use.
- An opening schedule for the center will be communicated as the clubs complete the configuration of the club rooms.
- To date there continues to be an outstanding approval from the Drainage Department for the permit for Building II. The bid specifications will be prepared for with a target to have these distributed to general contractors the week of 6/22/20. Any plan changes from this final review are expected to not be significant with updates to bidding contractors to be made once the permit has been received. This will start the bidding process on this final phase of the Grand Ave site.

Lakeview Center

- Duffeeland Parking Lot Repairs

The parking lot work is still pending. 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)

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. The architect has overlaid this onto the topographical survey completed to confirm the layout locations.
- Pending are meetings with steel building manufacturers to go over the basic designs for proposals on the steel structure. The additional internal building components and site work will be completed by the selected general contractor after the bidding process.

Marinette Center

- Clay Corner Drain Repairs

This work is completed. This work included the replacement of the current solids interceptors that are problematic for both the club and RCSC staff. The solids interceptors were replaced with Gleco products that are easier to maintain. Additionally, the sewer drainpipe in the club area were relined. This relining provides a smoother drainpipe without the pitting on the existing cast iron drainpipe where materials going down the drain get caught on and create blockages.

RCSC Management Report – June 25, 2020

Contractor: Sunland Plumbing (Cost \$16,107)

Mountainview Center

- The information from the ad hoc committee was received and work will begin on the design process in the coming weeks.
- 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.

Solar:

New Issues:

- Fairway Center - # 10
On 5/29/20 inverter #10 was damaged. It is unclear whether this was unintentional vehicle damage or intentional vandalism, although the latter is thought. A report has been filed with MCSO and an insurance claim is being processed. The inverter site has been secured and made safe while the replacement of the inverter is being completed. There is not an ETA for replacement at this time due to the need to identify a compatible replacement due to the current inverter model not being available for purchase.
- Willowbrook/Willowcreek - #1
On 6/8/20 this inverter had an internal electrical issue that caused damaged to the inverter. This inverter has been approved for a warranty replacement. The replacement inverter has been received and scheduled for installation on 6/18/20.

Issues Resolved:

- Lakeview Production Meter
The ongoing connectivity issue that began on 2/4/20 has been resolved and the production meter is back online and communicating with the AlsoEnergy data aggregation and reporting site.

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.

Upon further review with the manufacturer the replacement component for the data logger at this site is no longer available due to obsolescence. The replacement data logger has been ordered but delayed fulfillment by the manufacturer.

- 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.

RCSC Management Report – June 25, 2020

- 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. This site is being reviewed on 6/18/20 with Kortman Electric to begin additional discovery on the issues at this site.

Production Data:

After including May production data, the lifetime to date production vs expected went down slightly and is over expected by 5.58%. The percentage of inverters producing above expected remains at 81%.

Golf & Grounds:

Pro Shops

Golf rounds in May increased by 6,643 over prior and represent the most rounds played in May since 2007. For the year Riverview has played 27,568 rounds, followed by Lakes West (27,564 rounds), South (26,187 rounds), Willowcreek (25,310 rounds) and North (22,967 rounds). For the month 60% of rounds played were played by Annual No-Fee cardholders and Annual Surcharge Fee cardholders.

Golfers wishing to use the driving ranges during the summer months in the afternoon are advised to check on closures. During the summer each course closes early to allow range staff to “clean pick” the range prior to mowing the next morning. Courses are rotated so there is never more than one course closed on each side of Grand Avenue. Closures are scheduled as follows, with each course ceasing to sell balls at 4:00 p.m. and range closure at 4:30 p.m.:

- Monday – North and Willowcreek/Willowbrook
- Tuesday – South and Riverview
- Wednesday – Lakes East/Lakes West

Snack Shops

Snack shop closing time is now 1:00 p.m., after the snack shops close snacks and beverages are available through the pro shop.

Golf Courses

June 22nd, the courses finish up the second of our major agronomic practices, fairway aerification, on Quail Run Golf Course. Beginning June 22nd we begin the most disruptive practice, greens aerification, on Willowcreek Golf Course. Both aerification practices are designed to relieve compaction and provide airflow to the root system of both surfaces. Aerification will finish on Quail Run Golf Course the 7th of August. Courses will be closed for a total of 3 days each during the aerification process.

As part of our continuing Covid-19 process to reduce touch points we recently switched from having the cups upside down to placing a foam ring inside the hole. The foam insert provides a more normal putting experience, while keeping holed balls within easy reach.

There has been some discussion lately regarding crowning around pins and shared opinions on the means to eliminate crowning. The shared opinions match closely the process we follow and have followed as long as anyone can remember. After the new cup is cut, a cup-setter is used to ensure the proper depth of the cup and serves to smooth any heaving that may have occurred. After the cup setter is removed a pipe is rolled over the new hole in two directions, to smooth any heaving that the cup-setter did not eliminate.

RCSC Management Report – June 25, 2020

Lawn Bowling/Grounds

Lawn Bowl greens are in various stages of recovery following the aggressive “planing” received in May. Plugs have been added to Bell to repair some areas. Roller bases are being used throughout the day to add additional irrigation where needed. All greens have had an application of liquid nutrient to promote healthy rooting. Green speeds are slow, ranging from 9.5 seconds at Oakmont to 10.2 seconds on Lakeview East. Greens have been top dressed to help with smoothness and pace. Once the greens are growing vigorously they will be verticut in two direction, further aiding with roll and pace.

Palm tree trimming is currently in process at all RCSC Centers. Trimming began at Lakeview with the closure of the Hill and is expected to continue through the end of June. Beginning next year trimming will be moved up on the fruit bearing palms, to eliminate the mess caused by the droppings.

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!