

# RCSC Management Report – November 19, 2020

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## **Financial:**

### **Financial Report**

The Recreation Centers of Sun City, Inc. (RCSC) has ended October 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 \$47k (~1%) favorable to budget and operating expenses \$1.0M (7%) favorable to budget. Bowling and Food Service declines are driven by the COVID-19 closure and restrictions. Bowling did reopen in August, but income remains lower than budget. 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 \$1.0M (44%) favorable to budget. RCSC is continuing to see the effect of the COVID-19 related shutdown with October monthly operating income shortfalls in Bowling, Food Service and Member Services totaling \$115k. However, Golf and Building & Infrastructure combined operating income excess of \$118k in October offset the shortfall. This is a positive trend as monthly income is meeting budget despite the COVID negative effects.

### **Cardholder Services Report**

Payments on past due assessments in October were 8.0% of past due balances. Overall accounts receivable increased in October by 0.2% and is up 18.8% from the beginning of the year. Overall accounts receivable past due balances have increased in October by 0.24%. September assessments went 30 days past due at a 6.2% rate and August assessments went 60 days past due at a 3.4% rate.

Payments from our third-party collections firm totaled \$33,365.93 in October. Year to date payments through our third-party collections firm total \$169,176. Payments made in October through the online RCSC Web Portal totaled \$152,323 from 337 property owners. Year to date web portal payments total \$1,686,922 from 4,008 property owners.

In October property transfer balances increased by 0.92%. Outstanding balances related to property transfers represent 55% of all receivables and 55% of past due balances. At the end of October trustee sale notices on Sun City AZ properties ended at 20 and properties owned by lending institutions decreased to two.

## **Information Technology:**

### **Information Technology Report**

Continue the process of implementing three major projects: Online Ticketing, Web Portal Upgrade and Great Plains Upgrade. All are on target to be complete in the 4<sup>th</sup> Quarter 2020.

## **Human Resources:**

### **Human Resources Report**

Paylocity transition is in full effect with a cutover date of 1/1/2021 expectation.

Time to fill requisitions Key Performance Indicator continues to be 12 days through October 2020. This has been reduced from an average of 31 days in 2019. In October 27 requisitions were opened and 21 were closed.

Employee benefit open enrollment sessions are scheduled for the week of November 16th.

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## **Projects:**

### **Bell Center**

- **Social Hall Restroom Renovation**

This project includes a full upgrade and renovation of the social hall restrooms making them ADA compliant. The demolition work began on 8/31/2020. Plumbing, electrical rough-in, framing and drywall hanging, tape & texture, painting and tile installation are complete. Countertop and partition installations and final inspections remain. Project is scheduled to complete by mid-November, concurrent with the kitchen renovation.

Contractor: K.L. McIntyre (Cost: \$160,487)

- **Social Hall Kitchen Renovation**

This project includes the full renovation of the social hall kitchen which will replace flooring, lighting and cabinetry in the kitchen and the trash receptacle areas. The demolition work began on 8/27/2020. Plumbing, electrical rough-in, drywall hanging, tape & texture, painting, tile, and cabinet installation tasks are complete. Appliance installations and final inspections remain. Project is scheduled to complete by mid-November, concurrent with the restroom renovation.

Contractor: K.L. McIntyre (Cost: \$126,926)

- Installed 5 high-output LED troffers over lathes at the Metal Shop

Contractor: Accel Electric (Cost: \$2,558)

### **Fairway Center**

- Roof repair began 11/02/20. Project scope involves unscrewing and raising battens for concrete tiles, adding new underlayment, repairing broken tiles, and resetting the concrete tiles.

Contractor: Lyons Roofing, Inc. (Cost: \$37,381)

### **Grand Center – Building I**

- Minor repair issues which are warranty related are being resolved by the GC, Adolfson & Peterson.

### **Grand Center – Building II**

- RCSC has contracted with General Contractor (GC) Robert E. Porter Construction, Inc. to construct this project. Project commenced on 09/14/2020 with a projected duration of 6 months.

- Plumbing and electrical underground tasks have been completed; aggregate base course has been laid and the concrete slab has been poured. Construction of the masonry walls begins the week of 11/09/20.

- Bi-weekly progress meetings are being held with RCSC, CCBG Architects, and the GC all in attendance.

### **Lakes East/West Maintenance Yard**

- Civil and Architectural design for this project is underway. The construction drawing set is scheduled to go to Maricopa County for approval late December 2020.

### **Lakeview Lanes (George's)**

- Re-line of approximately 55' of 4" sewer line near George's Café.

Contractor: Sunland Plumbing (Cost: \$12,000)

### **Mountain View Center**

- A new 5-ton split system heat pump is on order to replace the broken unit that supports the fitness center. A portable A/C unit has been rented until the replacement is up and running.

Contractor: Custom Cooling (Cost \$7,125)

### **Oakmont Center**

- New light standards are on order for the Lawn Bowl. Installation tentatively set for January 2021.

Contractor: Accel Electric (Cost: \$84,200)

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- Renovated room behind the former stage location for club storage  
Contractors: Exquisite Painting, Accel Electric, B&I Skilled Trades (Cost: \$8,350)

## **Solar:**

### **New Issues:**

- Lakeview Lanes – Inverter #09  
On 10/14/2020 production dropped 50%, Kortman replaced fuses on 11/4/2020.
- Lakeview Rec Center - Inverter #11  
On 10/7/2020 a ground fault error keeps on occurring. Sent to Kortman 10/7/2020, Kortman checked out the inverter on 10/27/2020, the inverter will be replaced under warranty.
- Quail Run Maintenance - Inverter #04  
On 10/03/2020 Inverter is only producing 11%. Kortman checked out the inverter on 10/27/2020, the inverter will be replaced under warranty.

### **Issues Resolved:**

- Oakmont Rec Center – Inverter #04  
Inverter was replaced under warranty 11/4/2020.

### **Open Issues:** *(Status unchanged since last report)*

- 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. A new data logger has been replaced but unable to connect. AlsoEnergy and Fronius state it should be communicating. Kortman performed continuity check on all three wiring conductors from inverter to AlsoEnergy enclosure; the wiring is good. Fronius and Kortman are working together to find a work around to get the inverters communicating with AlsoEnergy, however Kortman cannot address this issue until Fronius sends a replacement for inverter number 6.

#### Lakeview Rear - # 01/02/03/04

Like 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 like those at Oakmont Center with these two sites being the only Fronius inverters in the RCSC Solar environment. Pending confirmation of restored functionality at Oakmont Center.

### **Production Data:**

After including October's production data, the lifetime to date production versus expected went down slightly and is over expected by 4.96%. The percentage of inverters producing above expected was reduced to 77%.

## **Golf & Grounds:**

### **Pro Shops**

Golf rounds increased by 3,680 in October over the previous year and represented the highest recorded total since 2009 for the month. Through October total rounds exceed prior year by 35,683 and are the highest recorded total since 2009. For the year 281,291 rounds have been played on our courses, of these 54% were by holders of either the Surcharge Golf Pass or Annual Golf Pass. Through October total revenue is 10% ahead of budget and 15% ahead of prior year.

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

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you have been given permission to do so. We ask for your cooperation in respecting the property of others.

## **Snack Shops**

As of November 1, Snack Shop closing times have been moved to 5pm. As a reminder we are still operating with reduced capacity, due to COVID-19 restrictions. Snack Shop and patio capacity is limited to the number of chairs that are provided. Please do not stand around tables or other areas of the patio.

## **Golf Courses**

Riverview, South, Willowcreek and Lakes East had cart path restrictions removed on November 6, we respectfully ask that golfers stay on the cart path until traveling at a 90° angle to their golf ball. With the increase in cart traffic this will be key to minimizing potential damage. Courses reopening on November 7 will have cart path restrictions lifted November 26.

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 can greatly 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.

During driving range use we ask that you be mindful of your divot pattern. Please do not scatter your divots, this manner of practice disturbs a large area of practice turf with relatively few shots. The preferred method of taking divots is to create lines. This is accomplished by placing your ball at the starting point of your previous divot. This method utilizes far less turf than other options, is easier for staff to maintain and provides less disturbed area for golfers that practice after you.

## **Lawn Bowl and Grounds**

Lawn Bowl green speeds have increased as we moved into November and reduced growing. In October the average green speed was 11.5 seconds, as of November 10 the average speed has increased to 13.8 seconds. We are now mowing once per week and double rolling three times per week. Irrigation has been reduced to once per week.

The summer heat and lack of rainfall took a toll on many plants/trees throughout the area. The toll is particularly evident with pine trees and cactus. We are evaluating many plants throughout Sun City and removing as necessary. Where practical trees/plants that are removed will be replaced with drought and heat tolerant plantings.

## **Bowling:**

Due to COVID-19 requirements and restrictions, the bowling centers have not been available for league play. However, in specific restrictions released on October 20, 2020 by Arizona Department of Health Services regarding bowling, RCSC has been able to develop rules and regulations allowing league play to resume on November 9, 2020. On November 6, 2020, Director of Bowling Randy Johnson had a meeting in the Sundial auditorium with one representative from each league presenting these rules and regulations which must be adhered to and enforced by the leagues.

## **Centers Operations and Clubs:**

### **Request to use ball machines for tennis and pickleball**

Cardholders have requested that tennis and pickleball automated machines be permitted for use in Phase Two and presented that sanitation of balls would not be necessary as they are picked up with hoppers not requiring balls to be handled. After reviewing this request with the Centers Operations team, we agree that use of the ball machines may occur without additional risks. Beginning Friday November 13, 2020 centers with machines will allow them to be checked out by Cardholders. This will include all machines for tennis, pickleball and table tennis. The pickleball Lobster machine at Marinette is a self-service machine with the closet key obtained from the Facility Attendant. Cardholders will be asked to

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sanitize this machine with wipes from the fitness center where this machine is stored. This is like sanitation of fitness equipment after use. All other machines at other centers will be sanitized by the Facility Attendants when they are returned by Cardholders. The RCSC Phased Re-Opening rules has been updated with this change.

## **Request for Clubs to use Sundial and/or Sun Bowl for membership meetings**

It has been requested to allow RCSC Chartered Clubs to use the Sundial auditorium or the Sun Bowl to hold annual club membership meetings. It was expressed that clubs may wish to hold membership meetings to update their bylaws to handle situations when a membership meeting cannot be held in person. While these membership meetings may be attended by a larger number of Cardholders than permitted for other activities, RCSC Chartered Clubs will be permitted to use the Sundial auditorium for these membership meetings to address the governance of the clubs. All Chartered Clubs have received communication that the Sundial auditorium may be used with guidelines surrounding its use. The purpose of these meetings is for club governance only and must not provide food or beverages, entertainment, or promote socialization before or after the meeting. All attendees must follow RCSC COVID-10 rules and regulations regarding facemasks, physical distancing, and sanitization. While an outside venue, the Sun Bowl has not been opened for these membership meetings at this time due to challenges at this venue with enforcing social distancing, sanitation, sound, etc.

## **Events & Entertainment:**

### **2021 Concert Series**

RCSC has determined that we will be unable to offer season tickets for the Sundial 2021 Winter/Spring Sundial Concert Series. RCSC's January 2021 concerts have been postponed due to continued rules and regulations regarding COVID-19 and the unknown time when these may be relieved.

Depending upon further developments we hope to proceed with concerts at Sundial in February and March, however, time will tell. Individual concert tickets will go on sale on Monday, January 18, 2021 at 8am online via the RCSC Web Portal, by phone or in person at the Events and Entertainment office located just inside the east hall entrance doors at the Sundial Auditorium. Tickets for RCSC Cardholders only will be \$25 for a premium seat and \$20 for a non-premium seat plus a non-refundable processing fee.

### **2021 Discover Sun City**

The 2021 Discover Sun City program generally scheduled for the third Wednesday in January (1/20/2021) has been cancelled. This program cannot be done with social distancing and requires the entire management team to participate which is too risky for RCSC during this pandemic.

### **2021 Annual Membership Meeting**

The Board has agreed to postpone the 2021 Annual Membership Meeting, generally held the last Monday in February (2/22/2021) to later in the year when it may be possible to accommodate a quorum of 1250 Members. RCSC has no facilities that can accommodate the quorum with 6 feet social distancing, therefore we will need to be in Phase Three in order to proceed.

The Events & Entertainment Office at Sundial remains closed, you may contact them by emailing [entertainment@suncitaz.org](mailto:entertainment@suncitaz.org) or by leaving a message at 623-561-4680.

The health, safety and welfare of RCSC Cardholders and staff remains our number one priority. Cardholders' cooperation and patience as we continue to proceed cautiously is greatly appreciated.