

# RCSC Management Report – January 28, 2021

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## **Financial:**

### **Financial Report**

The Recreation Centers of Sun City, Inc. (RCSC) has ended December 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 \$159k (1%) favorable to budget and operating expenses \$720k (4%) 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 \$764k (31%) favorable to budget. RCSC is continuing to see the effect of the COVID-19 related slow down with December monthly operating income shortfalls in Bowling and Member Services totaling \$82k. However, we are starting to see a turnaround with December operating income favorability in Golf, Building & Infrastructure and Food Service of \$213k, which helped offset the monthly shortfall.

### **Cardholder Services Report**

Payments on past due assessments in December were 9.8% of past due balances. Overall accounts receivable decreased in December by 1.0% and is up 6.4% from the beginning of the year. Overall accounts receivable past due balances have increased in December by 5.4%. November assessments went 30 days past due at a 5.4% rate and October assessments went 60 days past due at a 2.2% rate.

Payments from our third-party collections firm totaled \$34,594.36 in December. Year to date payments through our third-party collections firm total \$251,872.99. Payments made in December through the online RCSC Web Portal totaled \$144,660 from 320 property owners. Year to date web portal payments total \$1,974,058 from 4,164 property owners.

In December property transfer balances decreased by 3.8%. Outstanding balances related to property transfers represent 52% of all receivables and 53% of past due balances. At the end of December trustee sale notices on Sun City AZ properties ended at 27 and properties owned by lending institutions increased to 2.

## **Information Technology:**

Great Plains Accounting Software upgraded successfully. The upgrade contains enhancements allowing for greater upload/download capacity.

The Portal upgrade process continues with increased testing underway.

In December, the Information Technology team responded to 40 service requests fielded via the IT service request e-mail.

## **Human Resources:**

Paylocity implementation successfully completed with the first payroll processed the week of January 11, 2021. The Human Resources and Payroll teams are already realizing the benefits of Paylocity through reduced paper usage and reduced time to process.

In 2020 Human Resources processed 203 job requisitions. Time to fill requisitions Key Performance Indicator in 2020 ended at 12.91 days, which is considerably lower than the 2019 average of 31 days.

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## **Projects:**

### **Bell Rec Center**

- Repaired and recoated existing polyurethane foam roof sections over the metal shop and table tennis areas. Project began 11/30/20; completed 12/04/20.
  - Contractor: Lyons Roofing, Inc. (Budget & Cost: \$31,084)
- Repaired a broken irrigation line under the asphalt near the southeast entrance to Bell Center off 99<sup>th</sup> Ave.
  - Contractor: Sunland Plumbing (unbudgeted; Cost: \$5,850)

### **Fairway Rec Center**

- Located and removed broken roof tiles. Provided and installed new tiles. Project began and completed 01/11/21.
  - Contractor: Lyons Roofing (unbudgeted; Cost: \$3,100)

### **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. Masonry walls completed in December 2020. Roof installation, electrical and plumbing rough-in underway.
- Bi-weekly progress meetings are being held with RCSC, CCBG Architects, and the GC all in attendance.
- Secured an open area behind the building's trash enclosure with permanent gate/fencing. Completed on 12/18/20.
  - Contractor: Fairlane Fencing (Budget & Cost: \$2,840)

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

- Civil and Architectural design for this project is underway. B&I previewed a progress drawing set with Golf & Grounds on 12/01/20. The construction drawing set has been sent back to the architect to incorporate further RCSC input. Submittal to Maricopa County will be toward the end of January 2021.

### **Marinette Rec Center**

- Removed existing rail/panel system and installed a new curtain system in the auditorium. Project completed 12/23/20.
  - Contractor: K.L. McIntyre (Budget: \$5,000; Cost: \$10,591)

### **Oakmont Rec Center**

- All equipment for the Lawn Bowl Lighting Project is in town and ready to go. Project held up for Maricopa County review and permitting. The application materials have been with the county since 11/09/20. Installation will begin immediately upon the issuance of the building permit. Tentative completion now the end of February 2021.  
Contractor: Accel Electric (Budget: \$75,000; Cost: \$84,200)

### **Sun Bowl Softball Field**

- Installed Hilltopper Liquid Conditioner to provide dust abatement. Project began 01/05/21; completed 01/08/21.
  - Contractor: Stabilizer Solutions; (Budget & Cost: \$20,000)

### **Sundial Rec Center**

- Removed light bars at ticket booth, furnished and installed (2) "WILL CALL" LED signs on walls. Project complete 1/11/21.
  - Contractor: Accel Electric (Budget: \$2,500; Cost: 1,830)

### **Skilled Trades**

- Completed 266 work orders in December 2020.

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## **Solar:**

### **New Issues:**

- Fairway Rec Center – Inverter #02  
Inverter had a E018 error B&I rest, error occurred 4 days later. Kortman checked inverter, and corrected wiring. Will keep an eye on this inverter.
- Fairway Rec Center – Inverter #10  
Inverter had a clock fail, B&I replaced battery, issue resolved.
- Fairway Rec Center – Inverter #14  
Inverter had a E018 error B&I rest, error occurred 4 days later. Kortman checked inverter. Inverter will be replaced under warranty.
- Lakeview Rec Center – Inverter #13  
Inverter had a clock fail, B&I replaced battery, issue resolved.
- Quail Run Maintenance– Inverter #13  
Inverter had a grid failure, B&I reset inverter, issue resolved.

### **Issues Resolved:**

- Oakmont Rec Center - # 01/02/03/04/05/06  
The inverters at Oakmont Center now have a permanent fix and are talking to Also Energy.

### **Open Issues:**

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

Like the Oakmont site, the inverters at the Lakeview Rear site stopped communicating with the AlsoEnergy in July of 2018. 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. Fronius sent the wrong parts needed to get the communication back. We are waiting for the correct part.

### **Production Data:**

After including December's production data, the lifetime to date production versus expected went down slightly and is over expected by 4.84%. The percentage of inverters producing above expected remained the same at 76%.

## **Golf & Grounds:**

### **Pro Shops**

Rounds in review (2020), we began the year with a good start and much improved weather over 2019, leading to a strong January and February, with the onset of Covid-19 March rounds decreased compared to prior year. Despite the impact of Covid-19 in March, rounds for the first quarter increased by 4,064 over prior year. Throughout the last nine months of 2020, each month showed significant increases over prior year. For the year, the golf division finished with 345,589 rounds, which represent the highest recorded round total since 2007.

Though we are pleased with the level of golf being played, there are guidelines we all must follow while doing so. Congregating in large groups is not allowed, even if the congregation is outside of the snack shop or patio area. Golf carts are limited to one rider per cart, unless the other rider is an immediate family member (father, mother, child or sibling). Face masks are required inside pro shops, snack shops and clubhouse restrooms, along with 6 feet of physical distancing. Snack shop and patio capacity are limited to the number of chairs and tables provided; no additional congregating is allowed.

### **Snack Shops**

Snack Shop revenue continues to be hampered due to reduced snack shop capacity. For the month of December snack shop revenue was 14.5% below budget.

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## **Golf Courses**

The preliminary aerification/overseed schedule was presented to the Golf Advisory Committee this month. We will continue our practice of a single, more aggressive aerification. In addition to regular aerification events we will be solid tine aerifying more frequently. Solid tines do not impact the green surface to the extent of hollow tines and do not require course closures. Fairway verticutting begins at the end of April and in two-day blocks. Though it does not eliminate transition related issues, it does open the grass canopy by thinning out the rye grass, allowing the Bermuda grass base to recover from dormancy quicker. Representatives of Golf Advisory were asked to review the schedule with course green committees to resolve any conflicts ahead of time.

## **Lawn Bowling/Grounds**

The pace of play on the lawn bowling greens ranges from a low of 13.5 seconds on Lakeview East to a high of 14.5 seconds on both Bell South and Mountain View. Moisture readings range from a low of 9.5 at Oakmont to a high of 11.5 on Lakeview East. Greens are mowed once per week, mostly to clear debris and are rolled two to three times per week.

The grounds crew has remained busy over the last month cleaning up late falling leaves. In addition to cleanup bushes and trees are trimmed on a regular basis.