

RCSC Management Report – April 29, 2021

Financial:

Financial Report

The Recreation Centers of Sun City, Inc. (RCSC) has ended March 2021 within its operating and capital budget year to date. All Divisions except Member Services have met or exceeded their net operating budget projections year to date with total operating income \$144k (2%) favorable to budget and operating expenses \$364k (9%) favorable to budget. Member Services led the declines due to the cancellation of shows in 2021 due to COVID-19 restrictions preventing ticket sale income. Operating expense favorability is primarily driven by lower payroll taxes & benefits and lower utility, general operating and repair and maintenance expenses across multiple divisions. Year to date operating excess without projects favorability is \$591k (27%) favorable to budget.

Cardholder Services Report

Payments on past due assessments in March were 8.5% of past due balances. Overall accounts receivable increased in March by 0.7% and is up 1.8% from the beginning of the year. Overall accounts receivable past due balances have decreased in March by 0.8%. February assessments went 30 days past due at a 5.3% rate and January assessments went 60 days past due at a 3.1% rate.

Payments from our third-party collections firm totaled \$18,746.01 in March. Year to date payments through our third-party collections firm total \$71,145.95. Payments made in March through the online RCSC Web Portal totaled \$238,977 from 504 property owners. Year to date web portal payments total \$586,881 from 1277 property owners.

In March property transfer balances increased by 2.0%. Outstanding balances related to property transfers represent 53% of all receivables and 51% of past due balances. At the end of March trustee sale notices on Sun City AZ properties ended at 25 and properties owned by lending institutions remained at 1.

Information Technology Report

Supporting the Building & Infrastructure Team in establishing network connectivity for security cameras and card access at the Grand Avenue II facility.

Upgraded the credit card software across all locations and replaced credit card software at Willow.

The Information Technology team responded to 102 service requests closing 101 in March.

Human Resources Report

Human Resources processed 18 job requisitions in March. Time to fill requisitions key performance indicator in March was 10.0 days. The increase from February was driven by difficulty in filling two night shift positions.

Established a relationship with a new vendor providing background checks which will reduce expenses by \$600 annually.

Projects:

Bell Center

- Removed and replaced a 5-ton heating and cooling packaged unit serving the Multi-purpose Room adjacent to the Lawn Bowling area. Project completed on 04/02/21 at a cost of \$8,699. Contractor: Custom Cooling

Fairway Center

- Installed acoustical ceiling and wall panels outside at the kennel area of the Best Friends Dog Club, for sound abatement purposes. Project completed on 04/02/21 at a cost of \$4,518. Contractors: Ace Acoustics, Inc. & Exquisite Painting.

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Grand Center – Building I

- Added a commercial ice maker in the kitchen. Project completed on 03/25/21 at a cost of \$3,050. Contractor: Sunland Plumbing
- Added an additional electronic card access door in the facility at the kitchen. Project completed on 04/09/21 at a cost of \$3,783. Contractor: Multicard

Grand Center – Building II

- APS energized the transformer to the building on 03/30/21, enabling delayed components of the construction project to proceed. Recent tasks completed include test and air balance of A/C units, pouring of concrete pad and curbs in the east yard, and installation of surveillance cameras. Remaining tasks include asphalt paving & striping, rolling gate final installation, and clean and seal concrete floors in all areas.
- A punch list walk with RCSC, the GC and Architect is scheduled for 04/22/21.
- Activities to follow the punch list walk include a final inspection by Sun City Fire District and Maricopa County, date currently to be determined.

Lakes East/West Maintenance Yard

- Plan review drawing set was submitted to Maricopa County Planning and Development Department and Sun City Fire & Medical Department on January 29th. Review comments were received March 3rd and 4th, respectively. Drawing updates in response to the comments were submitted back on 04/07/21.

Lakes Snack Shop

- Installed a new entry canopy to Talisman Hall. Project completed on 03/24/21 at a cost of \$3,800. Contractor: Phoenix Tent and Awning Company

Lakeview Center

- Work has begun to renovate the former Clay Club space. B&I will be acting as the general contractor for this capital project. Work currently underway involves demolition and asbestos removal/abatement. The renovated space will become home to both the Sun City Carvers and Leather Craft clubs.
- A new display case was fabricated and installed by the B&I team for the Artists by the Lake club. Project was completed 04/14/21 at a cost of \$784.

Marinette Center

- Installed battery powered emergency lighting wall packs at the locker rooms. Project completed 04/05/21 at a cost of \$852. Contractor: Accel Electric
- Installed 208 sq. feet of sidewalk entries near the Clay Corner and Leather Craft locations. Project completed 04/13/21 at a cost of \$1,664. Contractor: Estrella Concrete Contracting

Mountain View Center

- Select members of the RCSC Senior Management team met with CCBG Architects on 04/02/21 to review preliminary options for the master plan. CCBG will evaluate and incorporate feedback and provide updated options late April/early May. Director of B&I met with Players Club President to assure planned layout for back- and side-stage would meet their needs.

Oakmont Center

- Final inspection of the Lawn Bowl Lighting project was conducted by Maricopa County on 03/24/21. Project passed inspection and was substantially complete on 03/24/21 at a cost of \$84,200. Contractor: Accel Electric
- Work has begun to renovate the former Jewelry Club space. B&I will be acting as the general contractor for this capital project. Initial demo work will be conducted by Accel Electric, Exquisite Painting and Sunland Plumbing. The China Painters club will occupy this space.

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Sundial Center

- Display case modification and an addition of 4 ceiling fans was completed at the Calligraphy Club on 03/29/21 at a cost of \$3,820. Contractors: B&I Skilled Trades and Accel Electric
- Repaired epoxy chip damage at expansion joints all around the swimming pool deck. Work was accomplished at night to minimize impact to pool operations and Cardholders. Project completed on 04/01/21 at cost of \$4,293. Contractor: HardScape Resurfacing, Inc.

Skilled Trades

- Completed 349 work orders in March 2021

Solar:

New Issues:

N/A

Issues Resolved:

- **Lakeview Lanes – Inverter #01**
Inverter is not reporting production, Kortman and Also Energy worked together to resolve this issue.

Open Issues:

- **Oakmont Rec Center - # 01/02/03/04/05/06**
The inverters are reporting data correctly for daily but not for history. This issue belongs to Also Energy. They have a technician working on a new driver to resolve the problem. We continue to work with Also Energy to correct this expeditiously.

Production Data:

After including March's production data, the lifetime to date production versus expected went down slightly and is over expected by 4.65%. The percentage of inverters producing above expected remained the same at 76%.

Bowling:

Tables (with two chairs per table) were recently placed on the bowling concourse at a minimum distance of six feet. Billiards, bowling, shuffleboard, and darts now allow spectators, but the spectators must be RCSC Cardholders. Masks and social distancing policies still apply for all activities within the bowling centers. Currently guests are not allowed to participate in billiards, shuffleboard, or darts. Guests are not allowed to participate in open play bowling, however, as of April 12, 2021, guest bowlers that are rostered members of an RCSC bowling league can participate in open play bowling (*proof of league membership may be required*).

League bowling continues to be separated by one lane on either side and sanitation is completed after each league finishes. The bowling centers have not been closing in the mid-afternoon for sanitization, we sanitize throughout the day and after each league. Billiards is sanitized at 2:00pm without closing, we work around and with the players, many times the billiard players assist in the sanitization as do the bowlers.

On May 17, 2021 provided there is Board approval, the bowling facilities including darts, shuffleboard and billiards will remove COVID-19 use/capacity limitations as outlined in the RCSC "Getting Back to Normal" guidelines. RCSC encourages following CDC and ADHS guidelines which may include use of masks, social distancing, and equipment sanitization. The bowling centers are beginning to recruit for upcoming fall leagues and hopefully will be able to totally "Get Back to Normal" by mid-September.

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Golf & Grounds:

Pro Shops

Rounds played in March totaled 45,492 exceeding prior year and adding to the rounds excess year to date over prior year. March rounds were the highest recorded total since 2008. Total rounds for the year stand at 124,070, which represents the third highest total since 2007. For the year 50.5% of the rounds played have been played by Annual No-Fee and Annual Surcharge passholders.

As daylight hours increase pro shops continue to close at 5 PM, however there are options for players to practice and play later in the day when shadows are longer. Cardholders wishing to start play after 5 PM are able to purchase an after 5:00 card for \$44.00 for non-passholders or \$12.00 for Annual Surcharge passholders. Golfers that purchase an Annual No-Fee pass are able to play after 5:00 PM for no additional fee. Cardholders that hold a Range Card are able to access range ball machines after 5:00 PM. Range Cards range from \$18.00 to \$90.00, each denomination of Range Card comes with additional credit towards range balls. The additional credit ranges from \$2.00 on a \$18.00 range card to \$25.00 on a \$90.00 range card.

During the March Golf Advisory meeting a proposal to adopt USGA Model Rule F-5, to provide relief from sprinkler heads in the intended line of play. Members of the committee were asked to take the proposed rule back to the course committees and golfers they represent. During the Golf Advisory meeting held on April 15, the opinions and findings of the committee members were discussed. After discussing the topic, the committee voted to adopt this Model Local Rule. In summary golfers can now take relief from a sprinkler head if the following conditions are met: the obstruction is on the line of play, the obstruction within two club-lengths of the putting green, and the obstruction is within two club-lengths of the ball. The full wording of the rule is posted in the pro shops and the rule will be added to course scorecards as they are reordered.

Snack Shops

For the first time this year Snack Shop revenue exceeded budget by \$1,332. Snacks shops are now consistently closing at 3:00 PM and will shift to 1:00 PM closings as demand lessens.

Golf Courses

Fairway verticutting began April 26 on the South Course and will continue through May 21 on Willowbrook. The full schedule can be found on the RCSC website at www.suncityaz.org under the Course Maintenance tab under Golf. Verticutting helps to thin out the winter rye grass by using blades that cut perpendicular to the soil. Thinning out the canopy allows more sunlight to reach the Bermuda grass coming out of dormancy as well as increased oxygen and moisture to reach the root zones more easily.

Fairway verticutting is one step we take towards reducing the impact of transition from the winter rye grass to the summer Bermuda grass. Other steps we take are lowering of mowing heights of greens, tees and fairways, increased watering, and fertilizer and chemical assistance as needed. Mowing heights have already been lowered throughout the courses, helping to stunt the rye grass growth and also opening the canopy for more sunlight. Spring fertilizing took place the beginning of April. Watering will be increased as needed, with attention given to localized dry spots. It is not uncommon during this time to experience areas of standing water, though we do our best to minimize.

Grounds and Lawn Bowl

Lawn bowl pace is running from a low of 13.0 seconds on Lakeview East to a high of 14.2 seconds on Bell South. Moisture readings are fairly consistent running from a low of 10.0 at Oakmont to a high of 11.6 at Lakeview East. The newly installed lights at Oakmont have been well received from the bowlers that have used them. All lawn bowl greens have been aerified with a "needle" to relieve winter compaction.

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Spring weeds have remained a major focus of the grounds team. Grassed areas around centers and the Sun Bowl are being prepped for transition from winter rye to summer Bermuda. Mowing heights are being lowered, spring fertilization has taken place and watering has been increased and adjustments are made as needed.