

RCSC Management Report – June 24, 2021

Financial:

Financial Report

The Recreation Centers of Sun City, Inc. (RCSC) has ended May 2021 within its operating and capital budget year to date. All Divisions except Member Services and Food Service have met or exceeded their net operating budget projections year to date with total operating income \$363k (3.6%) favorable to budget and operating expenses \$519k (7.5%) favorable to budget. Member Services led the declines due to the cancellation of shows in 2021 due to COVID-19 restrictions driving down ticket sale income. Food Service was slightly below net operating budget due to COVID seating restrictions driving down income. Operating expense favorability is primarily driven by lower payroll taxes & benefits, lower safety supplies expense, and lower repair and maintenance expenses across multiple divisions. Year to date operating excess without projects favorability is \$976k (31.1%) favorable to budget.

Cardholder Services Report

Payments on past due assessments in May were 6.1% of past due balances. Overall accounts receivable increased in May by 3.8% and is up 5.4% from the beginning of the year. Overall accounts receivable past due balances have increased in May by 2.9%. April assessments went 30 days past due at a rate of 4.8% and March assessments went 60 days past due at a rate of 2.7%.

Payments from our third-party collections firm totaled \$10,680 in May. Year to date payments through our third-party collections firm total \$147,400. Payments made in May through the online RCSC Web Portal totaled \$173,612 from 607 property owners. Year to date web portal payments total \$982,377 from 2,370 property owners.

In May property transfer balances increased by 3.6%. Outstanding balances related to property transfers represent 53% of all receivables and 52% of past due balances. May trustee sale notices on Sun City AZ properties ended at 21, and properties owned by lending institutions remained at 1.

Information Technology Report

In May, the Information Technology team responded to 68 service requests, closing all 68 by month end. Year to date, IT has received 450 service requests, of which 7 remain open. On average, IT is closing service requests in less than one day in 2021.

During the month of May, the Information Technology team provided WiFi infrastructure data and diagrams to Board and Technology Committee, purchased new Uninterrupted Power Supply units for servers to replace decade-old units, trained management team members on using Microsoft Teams to allow remote support for security camera systems, and continued new Web Portal testing.

Human Resources Report

Human Resources began the month of May with 3 open job requisitions and added 26 new job requisitions during the month. Human Resources filled 25 requisitions and ended May with 4 open positions. Time to fill requisitions Key Performance Indicator ("KPI") in May was 6.8 days. Year to date, Human Resources has opened 111 requisitions and filled 107 open positions, with the time to fill requisitions KPI at 7.6 days.

During the month of May, Human Resources continued to automate the benefits enrollment process with a goal of being able to complete the open enrollment online for 2022, completed the 2020 401(k) audit and filed the 2020 EEO1 report and the 5500 reports, began to automate the new employee orientation process, and are focusing on routing job applicants through our website in an effort to minimize the traffic in our office with the goal of 100% of applications being received online.

RCSC Management Report – June 24, 2021

Projects:

Bell Lanes

- Removed and replaced the kitchen hood exhaust fan at George's Café. Project completed on 06/01/21 at a cost of \$5,906. Contractor: Custom Cooling

Grand Center – Building II

- The Vintage Vehicle Club's equipment and belongings were moved into their new location at Grand Center. The move occurred on 06/04/21 at a cost of \$3,981. Vendor: Moving Team Six

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 29. Review comments were received March 3rd and 4th, respectively. Drawing updates in response to the comments were submitted back on 04/07/21. Sun City Fire has approved the corrections. Still awaiting approval from Maricopa County.

Lakeview Center

- Remodeling work is nearing completion for the future Sun City Carvers and Leather Craft Club space. Painting, installation of acoustical ceiling grid and tiles, and floor installation all were completed the week ending June 4. Final inspections by Sun City Fire & Medical Department and Maricopa County Planning & Development are still pending.
- Removed an inoperable sump pump and replaced with a new unit at the pool equipment room. Project was completed on 06/02/21 at a cost of \$8,146. Contractor: Phoenix Pumps, Inc.

Mountain View Center

- CCBG Architects presented their master plan for a reconstructed Mountain View Center at the RCSC Board of Directors meeting on 05/10/21. Based on feedback and direction from the Board, CCBG will present an alternative look at the site plan, "Option 2", at the June 14th Board of Directors meeting.

Sundial Center

- Capital equipment purchase of two new 25-ton dehumidifiers for the natatorium is underway. W.D. Manor Mechanical Contractors, Inc. has placed the order with manufacturer Dunham-Bush, with a scheduled on-dock at Sundial Center around the end of August 2021. Installation to be complete by 09/30/21.

Skilled Trades

- Completed 324 work orders in May 2021

Solar:

New Issues:

- **Lakeview Center – Inverter #18**
Inverter went down. Kortman is working on getting a warranty replacement.
- **Lakeview Center – Data Logger #2**
The data logger does not hold the date, Kortman is working on getting a data logger replacement.
- **Lakeview Lanes – Inverter #01**
Inverter blew both fuses. Kortman replaced fuses, no signs of any problems, will keep on monitoring, issue resolved.
- **WB/WC Maintenance – Inverter All 15**
Site went down. Kortman found a main breaker tripped, no signs of any problems, will keep on monitoring, issue resolved.

Issues Resolved:

- **Fairway Center – Inverter #07**
Inverter was replaced under warranty.

RCSC Management Report – June 24, 2021

Open Issues:

- **Oakmont Center - # 01/02/03/04/05/06**

The inverters are reporting data correctly for daily but not for history. This issue is Also Energy's, we are working with Jagger from Also Energy. They are double-checking everything on their end to see if they can discover a problem.

Production Data:

After including May's production data, the lifetime to date production versus expected went down slightly but is over expected by 4.35%. The percentage of inverters producing above expected was reduced by 1 inverter, but the percentage remained the same at 76%.

Preventive Maintenance:

Kortman will start the yearly preventive maintenance the week of July 19th. This will require impacted parking canopies be shut down to do the maintenance. The duration of work at each site would be approximately one day.

Bowling:

Since reopening on May 17, 2021, bowling has rebounded better than projected. Compared to May 2019 league lineage is down 36%, Cardholder open play is down 5% and guest open play is down 27%. Considering 2021 was only a partial year due to COVID-19 and guests were not allowed to participate, we feel that participation will continue to increase and when fall leagues begin for the 2021/2022 season we will return to full strength.

Bowling has performed better than expected when compared to budget, due to COVID-19 bowling was expected to show a loss of \$230k year to date; however, bowling is currently at a loss of \$131k which is \$72k better than projected.

Golf & Grounds:

Pro Shops

Total rounds for May were 27,247, which is 1,620 fewer than prior year but the second highest recorded total for May in the last 14 years. For the year we have played 189,421 rounds, which represents our highest 5-month total in 14 years. Among the regulation courses Riverview has played the most rounds (29,277), Willowcreek has the second highest total (28,591), followed by Lakes West, South and North. For the executive courses, Lakes East has played the most rounds (19,627), followed by Willowbrook and Quail Run.

The bunker renovation for Lakes West will begin July 8. During this time we will be closing 9 holes at a time to allow work to progress without interfering with golfers and vice versa. During this time golfers wishing to play 18 holes will be playing the same 9 twice. The lottery system was not designed to accommodate 18 holes of play off the same 9 twice, as a result golfers wishing to play Lakes West during the construction period will be required to make tee times in person or by phone, beginning at 6:30am. For this temporary situation we will be taking two in person reservations, followed by one phone reservation.

Snack Shops

Snacks shops are now consistently closing at 1:00pm.

Golf Courses

Greens aerification began June 21 on South and continues through August 4 on Willowbrook. During this period of course maintenance, the courses will be closed in three-day blocks. Aerification of greens serves to reduce compaction and helps to maintain the thatch layer to a healthy level. As we have for the last several years, greens will be aerified twice over three days. The dual aerification eliminated the need to begin our aerification process in May, providing our golfers with more days of normal putting surfaces from May through most of June. We will be conducting our aerifications on Lakes West during

RCSC Management Report – June 24, 2021

the periods each 9 holes are closed, this will allow us to keep 9 holes open for play during both the bunker renovation and greens aerification.

The Lakes West bunker renovation will primarily serve to replace the bunker sand that has become contaminated with fine dust over the life of the bunkers and to reestablish the original shape of the bunker cores. Work will begin with removal of the existing sand and drainage. Following these steps, the bunkers will be shaped to their original design and current performance of drainage discharges checked. The bunkers will be re-lined using the Better Billy Bunker process and new drainage installed, after which new sand will be installed. Work is scheduled to be completed by August 27 and the work will be completed by Wadsworth Construction.

Grounds and Lawn Bowl

Lawn Bowl pace is running from a low of 13.0 seconds on Lakeview West to a high of 14.2 seconds on Bell South. Moisture readings are running from a low of 10.2 at Lake View East to a high of 12.0 at Oakmont. Greens are currently mowed three times per week at a height of .120", rolled three days per week and the ditches are cleaned three times per week.

In addition to the normal day to day upkeep of the centers, the grounds crew have been assisting with landscaping around the new phase of the Grand Center.