

RCSC Management Report – September 30, 2021

Finance:

Financial Report

The Recreation Centers of Sun City, Inc. (RCSC) has ended August 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 \$684k (4.5%) favorable to budget, and operating expenses \$968k (8.0%) 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 the timing of the annual seed purchase. Year to date operating excess without projects favorability is \$1,697k (49.4%) favorable to budget.

Cardholder Services Report

Payments on past due assessments in August were 7.6% of past due balances. Overall accounts receivable increased in August by 1.8% and is down 0.1% from the beginning of the year. Overall accounts receivable past due balances have decreased in August by 2.3%. July assessments went 30 days past due at a rate of 5.5% and June assessments went 60 days past due at a rate of 2.4%.

Payments from our third-party collections firm totaled \$43,656 in August. Year to date payments through our third-party collections firm total \$259,156. Payments made in August through the online RCSC Web Portal totaled \$139,305 from 302 property owners. Year to date web portal payments total \$1,428,388 from 3,113 property owners.

In August, property transfer balances increased by 4.3%. Outstanding balances related to property transfers represent 52% of all receivables and 51% of past due balances. August trustee sale notices on Sun City AZ properties ended at 22, and properties owned by lending institutions remained at 1.

Information Technology Report

In August, the Information Technology team responded to 112 service requests, closing 110 by month end. Year to date, IT has received 648 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 August, the IT Manager resigned. A new IT Manager has been hired and started on September 8. During this month, the IT Support Specialist handled all IT requests, resolved a failure of the bridge between the Willow Pro Shop and Maintenance facilities, and continued to test the upgraded Web Portal due to launch later in 2021.

Human Resources Report

Human Resources began the month of August with 1 open job requisitions and added 30 new requisitions during the month. Human Resources filled 24 open requisitions and ended August with 7 open positions. The time-to-fill requisition Key Performance Indicator ("KPI") in August was 4 days. Year to date, Human Resources has opened 176 requisitions and filled 172 open positions, with the time-to-fill requisitions KPI at 7.2 days for 2021.

During the month of August, Human Resources HR continued making progress toward scanning all employee files onto the server and began evaluating the Blue Cross health insurance renewal proposal for the 2022 policy year.

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Projects:

Bell Center

- Installation of replacement UV systems (secondary sanitation) serving all 4 bodies of water at Bell Center will commence on 9/20/21. A shutdown schedule for the affected pools/spas has been coordinated with Operations and communicated to card holders. Project expected to complete 09/24/21 at a cost of \$98,321. Contractor: Exceptional Water/Osiris Pools and Spas
- A scheduled remodel of the Artistic Stained Glass club space was completed on 09/03/21 at a cost of \$64,000. Upgrades included new acoustical ceiling tiles, LED lighting, fans as well as painting of all cabinets. Contractor: B&I Skilled Trades w/multiple vendors

Lakes East/West Maintenance Yard

- Will go before the Board of Directors on 09/20/21 to seek increased funding for this project from the Preservation & Improvement Fund (PIF).

Lakeview Lanes

- Removed and replaced a 5-ton Trane roof top unit (RTU). Project was completed on 08/24/21 at a cost of \$9,371. Contractor: Custom Cooling

Mountain View Center

- CCBG Architects is continuing with the Mountain View Master Plan based on "Option 2" as directed by the RCSC Board of Directors from the Board Meeting held 06/14/21. A budget study is also underway, with a due date of 09/30/21.

Sundial Center

- W.D. Manor Mechanical Contractors, Inc. informed RCSC of that our order of dehumidifiers with manufacturer Dunham-Bush has experienced production delays and will now arrive in Sun City the week of October 11. Extension of existing return air ducting in the natatorium can take place ahead of the dehumidifier's arrival. This work began 09/13/21 and will complete by 09/25/21. Completion of the project, following test and balance of the system and training of RCSC staff should conclude by 11/10/21.

Skilled Trades

- Completed 355 work orders in August 2021

Solar:

New Issues:

- **WB/WC Maintenance – Inverter 02**
Inverter went down, will be replaced under warranty.
- **WB/WC Maintenance – Data Loggers/All Inverters**
All communication is down. Cox is working on getting communication back.

Issues Resolved:

- **Lakeview Center – Data Logger #2**
Kortman has replaced Data Logger #2.

Open Issues:

- **Bell Center – Inverter 07**
Inverter is going to be replaced under warranty.

Production Data:

After including August's production data, the lifetime to date production versus expected went down slightly and is over expected by 3.92%. The percentage of inverters producing above expected remained the same at 74%.

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Preventive Maintenance:

Kortman has is working on getting the 13 issues repaired from the annual maintenance service report.

Golf & Grounds:

Pro Shops

Golf rounds in August decreased by 727 from prior year, however, still represent the second most rounds played in August since 2006. For the year Riverview has played 38,605 rounds, followed by Willowcreek (37,337 rounds), South (36,934 rounds), Lakes West (33,415 rounds) and North (32,197 rounds). For the Executive Courses Lakes East has played the most rounds with 24,473, followed by Willowbrook and Quail Run.

On September 3rd, we hosted a fundraising event to support Patriot Golf Day and the Folds of Honor Foundation. We had 66 participants registered to play, behind last year's total of 80 players. The event raised a total of \$680 for the Patriot Golf Day. Thank you to those that played, and we hope to see those that did not next year.

Snack Shops

Snack shop closing time is moving to 3:00 p.m. October 1, however, will remain open longer if there is sufficient demand. After the snack shops close snacks and beverages are available through the pro shop.

Golf Courses

All major summer agronomic procedures have been completed and overseeding is less than a month away. Overseeding will begin on September 27 for North, Lakes West, Willowbrook and Quail Run. These courses will reopen on October 16 with cart path restrictions in place until November 5. The remaining courses will close October 18 and reopen November 6 with cart path restrictions in place until November 26. We are currently not planning an overlap period during which all courses will be closed, however we will be monitoring long range forecasts as we near the September 27 start date. Should forecasted temperatures prove problematic for overseeding we will move the start date for the first wave of course closures to October 4. Should this change prove necessary it will result in an overlap period of course closures, as we will not move the second wave of course closures back.

For the upcoming overseed season we will not be overseeding the fairways on South or Lakes East, as we explore solutions to upcoming reductions in water allocations. The fairways on South will be allowed to go dormant but will be kept green through a combination of pigments and dyes. Pigments have already begun to be applied and will be taken up by the plant. The pigments will provide color through the first stages of dormancy, at which point we will begin the use of dyes. Lakes East will be allowed to go fully dormant and will take on the same color of the dormant rough. As these surfaces will not be actively growing, it will be important to closely follow the 90 degree rule when leaving the cart path for your ball.

With the recent departure of Mike Murphy as the Golf Course Superintendent for North, we opted to implement a supervision restructure trial. Chuck Hyppa now serves as an Area Superintendent for Lakes East/Lakes West, North and Quail. Serving as Assistant Superintendent II are Michael Wermers for North, Brandon Hodgkins for Quail and James Barnaby for Lakes East/Lakes West. We congratulate Chuck on his promotion as well as Michael, Brandon and James on theirs.

Grounds and Lawn Bowl

Lawn Bowl pace is running from a low of 12.0 seconds on Lakeview West to a high of 13.5 seconds on Bell South. Moisture readings are fairly consistent running from a low of 14.0 at Lakeview West to a

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high of 11.6 at Lakeview East. Greens are being mowed three times per week and rolled three days per week.

Monsoon rains have led to heavy weed growth and remain a major focus for the grounds team. The softball field will close September 27 for overseeding and reopen October 20.

Bowling:

The bowling department has spent the last few weeks flooring the fall leagues for the 2021-2022 league season. It has been a far more positive return to the season and much better than expected with losing much of last season due to COVID. Some leagues have increased bowlers over their 2019-2020 season.

The bowling centers have recently introduced new beer products. They are items that have recently become very popular.

After a successful Summer Bowling Tournament program at Bell was completed, the bowling department is putting together a Saturday No-Tap Tournament Program at Lakeview. The first tournament will be October 16th with more tournaments to follow. No-Tap tournaments are handicap based and if you knock down 9 pins on your first ball you are awarded a strike.

Lakeview Lanes will be hosting the 26th annual Metro Phoenix USBC Valley of the Sun tournament October 30 – 31, 2021. Multiple squads will be bowling, and the entry deadline is October 22, 2021.