

RCSC Management Report – October 28, 2021

Finance:

Financial Report

The Recreation Centers of Sun City, Inc. (RCSC) has ended September 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 \$803k (5.0%) favorable to budget, and operating expenses \$681k (5.0%) favorable to budget. Food Service is \$30k unfavorable to budget year-to-date due to covid restrictions reducing income, and reclassification of certain building and equipment repair expenses from the Centers to the cafes. Member Services is \$6k below budget year-to-date due to the cancellation of shows in 2021 due to COVID-19 restrictions. Operating expense favorability is primarily driven by lower payroll taxes & benefits, lower safety supplies expense, and lower spending on equipment. Year to date operating excess without projects is \$1,532k (47.3%) favorable to budget.

Cardholder Services Report

Payments on past due assessments in September were 8.4% of past due balances. Overall accounts receivable increased in September by 1.6% and is up 1.5% from the beginning of the year. Overall accounts receivable past due balances have decreased in September by 0.1%. August assessments went 30 days past due at a rate of 5.5% and July assessments went 60 days past due at a rate of 1.9%.

Payments from our third-party collections firm totaled \$42,306 in September. Year to date payments through our third-party collections firm total \$301,462. Payments made in September through the online RCSC Web Portal totaled \$145,509 from 320 property owners. Year to date web portal payments total \$1,573,897 from 3,433 property owners.

In September, property transfer balances increased by 4.0%. Outstanding balances related to property transfers represent 53% of all receivables and 52% of past due balances. September trustee sale notices on Sun City AZ properties ended at 21, and properties owned by lending institutions remained at 1.

Information Technology Report

In September, the Information Technology team responded to 74 service requests, closing 67 by month end. Year to date, IT has received 722 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 September, IT implemented a new helpdesk ticketing system, which will allow RCSC staff to submit support requests more easily. This ticketing system will provide IT with better monitoring of tickets and create a knowledgebase of past issues that will enable faster ticket resolution in the future.

Human Resources Report

Human Resources began the month of September with 7 open job requisitions and added 18 new requisitions during the month. Human Resources filled 20 open requisitions and ended September with 5 open positions. The time-to-fill requisition Key Performance Indicator ("KPI") in September was 8 days. Year to date, Human Resources has opened 194 requisitions and filled 192 open positions, with the time-to-fill requisitions KPI at 7.3 days for 2021.

During the month of September, Human Resources finalized the renewal quote from Blue Cross / Blue Shield of Arizona for employee medical coverage and is finalizing the details of the annual open enrollment meeting.

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Projects:

Bell Center

- Installation of replacement UV systems (secondary sanitation) serving all 4 bodies of water at Bell Center was completed 09/30/21 at a cost of \$101,881. Contractor: Exceptional Water/Osiris Pools and Spas

Grand Center

- Added a 3-ton Ductless A/C system in the kiln room for the Sun City Clay Club. Project was completed on 10/14/21 at a cost of \$8,536. Contractors: Custom Cooling and Accel Electric

Lakes East/West Pro/Snack Shop

- Re-striped the lines at the parking lot and re-painted curb stops. Project was completed on 10/14/21 at a cost of \$8,600. Contractor: Exquisite Painting

Lakes East/West Maintenance Yard

- Working to finalize the construction contract with the selected General Contractor (GC) and to bring the project budget package to the Board of Director's Bid Commission for authorization and go-ahead. This should be completed by the end of October.

Lakeview Center

- Added multiple electrical outlets and replaced existing lighting with new LED fixtures in the Mini-Golf office. Project was completed 10/01/21 at a cost of \$2,262. Contractor: Accel Electric

Mountain View Center

- A budget study capturing an estimate for "Option 2" construction of the new Mountain View Center was completed on 09/30/21 with architects CCBG and provided to the Board of Directors.

Sundial Center

- W.D. Manor Mechanical Contractors, Inc. informed RCSC of that our order of dehumidifiers with manufacturer Dunham-Bush is now delayed in the receiving process at the Port of Los Angeles. RCSC will work with W.D. Manor to develop a revised installation schedule once a reliable on-dock date to Sun City has been established.

Skilled Trades

- Completed 324 work orders in September 2021

Solar:

New Issues:

- **Bell Lanes Café – Inverter 03**
Inverter is working, display is bad. Inverter will be replaced under warranty.

Issues Resolved:

- N/A

Open Issues:

Please note replacement inverters are delayed due to manufacturer backlog

- **Bell Rec Center – Inverter 07**
Inverter went down, will be replaced under warranty.
- **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, this will not be completed until next year.

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Production Data:

After including September's production data, the lifetime to date production versus expected went down slightly and is over expected by 3.81%. The percentage of inverters producing above expected remained the same at 74%.

Preventive Maintenance:

Kortman has completed the issues at Bell and Lakeview from the annual maintenance service report.

Golf & Grounds:

Pro Shops

Golf revenue in September exceeded budget by 36.3%, Green Fee/Cart Fee revenue exceeded budget by 38.2%, Merchandise exceeded budget by 15.3% and Driving Range revenue exceeded budget by 42.0%. Rounds and revenue are not to 2020 levels, however both categories are well above recent historical levels.

On October 9 we held our postponed night golf event on the Lakes East Golf Course. We had a total of 52 players tee it up under the stars for some "Moonlight Madness". Players began the evening with dinner held at Talisman Hall, then headed onto the course for an evening round of golf. We had a total of four flights, with Diane Callis/Rick Adams and Greg Butler/Cecelia Connolly tying for first in the A-Flight, Greg Otto/Wendy Otto taking first in the B-Flight, Dave Kelley/Bruce DeLumeau winning the C-Flight and Marcia Johnson/Brian Johnson, Sil Bondi/Bryan Schoch and Larry Sweesy/Cindy Toon tying for first in the Callaway Flight. We currently plan on hosting our next event in March or April of next year.

On December 6th we will be hosting a fundraising tournament to raise money for the Sun City Foundation. The format will be Beat the Pro(s), which will be Brian Duthu (PGA) and Chris Linam (Pro Shop Manager) and will be made up of two person teams. Teams that beat the Scramble score of the Pros will equally share the prize pool. The entry fee will be \$40 and the event will be held at the South Golf Course. In addition to bragging rights for beating the pro, there will also be a chance at a Pebble Beach Vacation.

Registration for Get Golf Ready classes is also underway. The cost of the classes is \$130 which includes four days of instruction as part of group of 8 students or less and a 5th day of on course instruction. The program covers swing fundamentals as well as golf etiquette and an introduction to golf rules. The program is part of a national initiative of the PGA of America to grow the game of golf. The first class will begin November 5th. Classes will be available throughout the winter and spring.

Snack Shops

Beginning in November Snack shops will begin closing at 5:00 p.m. and will do so throughout the Winter months.

Courses

Overseeding began on September 27th at Lakes West, North, Quail Run and Willowbrook. These courses reopened October 16th, with cart path restrictions in place until November 5th. The remaining courses closed October 18th and will reopen November 6th, with cart path restrictions in place until November 26th.

With the change to the 3 cart rule moving through the Board approval process and possibly becoming permanent, it will be more important than ever for golf carts to travel on the cart path as much as

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possible. Studies from the USGA show that one golfer and one cart impact an area of 61,845 square feet per round. The more time spent on cart paths will help to reduce the area of compaction.

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.

Lawn Bowl and Grounds

The speed of the lawn bowl greens range from 12.0 seconds on Lakeview West to 13.5 seconds on Bell South. Moisture readings range from a low of 13.4 on Bell South to a high of 15.1 on Lakeview East. Greens are currently watered twice per week, mowed twice per week and rolled three times per week. Ditches are cleaned three times per week

The Grounds department has completed overseeding at Sunbowl, the softball field and the Lakeview Center. Particular focus over the last month has been given to the overgrowth around the Lakeview mini golf course and lagoon area.

Bowling:

The bowling department ran its first No-Tap tournament since re-opening at Lakeview Lanes Saturday October 16th with 81 bowlers participating. There will be more events to come. The RCSC website is being updated regularly with tournament information and results.

Lakeview Lanes will be hosting the 26th annual Metro Phoenix USBC Valley of the Sun tournament October 30 – 31, 2021. The Sun City Bowling Association No-Tap Doubles Tournament is November 6th with squad times at 9 am and 1 pm.

The USBC State Senior Masters and Queens Tournament is Sunday November 7th beginning at 10 am at Lakeview Lanes. The best Senior Bowlers from around the State of Arizona will be bowling six games of qualifying with a bracket style final to determine the winner.

The 2nd Annual Bowling Belles Senior Tournament was pushed back and will now occur November 13th and 14th at Lakeview Lanes. The tournament changed dates to avoid conflicts with other events in the area.

Operations:

Chartered Clubs

Club attendance has been reported consistently by 85% of the clubs with dedicated space. Clubs that recently moved into new space have not all begun to provide attendance which will be requested. Changes to support RCSC capturing attendance for clubs using monitored activity areas are in progress and will be in place starting November 1, 2021. Tracking spreadsheets for clubs without dedicated space allocated are projected to be to the clubs by November 1, 2021 as well. Below is the year to date activity by month for the reporting clubs.

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2021 Chartered Club Dedicated Space Attendance Summary

CLUB	Center	1Q19 Roster	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
Apple Mac	Sundial	278	-	-	-	-	37	82	91	80	84				374
Artistic Stained Glass	Bell	122	327	360	438	492	415	343	10	-	323				2,708
Artistic Weavers	Oakmont	73	-	-	76	112	77	9	106	110	131				621
Artists By The Lake	Lakeview	104	68	93	123	136	92	74	60	64	93				803
Bell Stitchers	Bell	62	173	187	181	189	133	117	133	104	127				1,344
Best Friends Dog Club	Fairway	104	-	-	-	-	-	-	-	-	-				-
Calligraphy	Sundial	59	-	-	10	17	6	15	6	-	44				98
Camera Guild	Grand	182	174	144	164	144	108	141	254	110	132				1,371
Ceramics BC	Bell	8	118	157	152	161	217	304	317	286	323				2,035
Ceramics FW	Fairway	136	235	271	387	343	293	331	301	295	400				2,856
China Painting	Oakmont	64	49	50	76	117	102	88	114	86	117				799
Clay Club	Grand	183	647	624	698	561	534	658	851	778	898				6,249
Clay Corner	Marinette	243	727	780	897	751	708	700	770	882	954				7,169
Computer	Fairway	826	365	526	465	302	344	294	283	324	420				3,323
Crafts BC	Bell	235	-	-	-	-	179	381	401	404	420				1,785
Crafts SD	Sundial	119	20	20	35	21	54	149	167	154	154				774
Creative Quilters	Lakeview	108	37	-	104	73	124	159	149	172	212				1,030
Friendship Quilters	Bell	87	-	-	-	-	-	-	-	-	-				-
Garden	Grand	154	173	168	137	155	137	83	91	111	175				1,230
Handweavers/Spinners	Sundial	107	261	215	212	120	39	88	69	93	124				1,221
Hatha Yoga	Sundial	557	-	-	-	-	244	657	632	593	672				2,798
Jewelry, Stained Glass	Grand	71	169	190	202	143	99	52	91	99	122				1,167
Lapidary BC	Bell	87	132	148	219	167	179	186	137	192	220				1,580
Leathercraft	Lakeview	136	-	-	-	-	-	-	-	-	-				-
Men's Club	Sundial	421	-	-	-	-	496	909	999	1,078	1,113				4,595
Metal	Bell	336	354	410	854	869	590	473	529	425	508				5,012
Model RR	Fairway	60	14	76	81	80	128	147	134	146	155				961
Palo Verde Artists	Sundial	185	-	-	-	-	71	118	142	111	122				564
Piano	Sundial	85	-	7	36	33	54	42	60	56	47				335
Rockhounds	Sundial	119	-	-	-	-	-	-	-	-	-				-
Sew N Sew	Lakeview	126	-	-	-	-	-	-	-	-	-				-

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Silvercraft BC	Bell	192	170	249	321	321	315	401	433	363	469				3,042
Silverstones	Sundial	96	128	122	171	140	119	105	168	148	131				1,232
Sterling & Stones	Fairway	126	128	124	153	97	105	151	78	65	94				995
Sun City Carvers	Lakeview	59	-	-	-	-	-	-	-	-	-				-
Vintage Vehicles	Grand	357	404	446	510	434	240	-	159	567	617				3,377
Women's Club	Lakeview	206	-	-	-	-	51	155	120	123	120				569
Woodworking BC	Bell	347	232	773	964	805	720	584	506	528	675				5,787
Woodworking FW	Fairway	270	756	709	859	693	388	277	277	316	383				4,658
Woodworking LV	Lakeview	132	347	383	465	363	254	218	249	286	323				2,888

The allocation of the additional club space in building II at Grand Center has been determined. This 3,054 sf space will be occupied by a merged quilting club including the Friendship Quilters (Bell) and Creative Quilters (Lakeview). The space was best utilized by combining these two quilting clubs together rather than use by only one of the clubs. The combined club scored acceptably on the metrics presented previously to the Board. Allocating the space to the larger combined quilting club allows for space design to accommodate the electrical for current and future equipment and space for the layout of larger projects. Space planning will begin with the clubs with architectural designs to follow. No formal timeline for the completion of the work and moving of the clubs is available at this time.