

RCSC Management Report – February 24, 2022

Finance:

Financial Report

The Recreation Centers of Sun City, Inc. (RCSC) ended January 2022 within its operating and capital budget year to date. All Divisions have met or exceeded their net operating budget projections year to date. Operating income for January totaled \$2,407K and was \$163k (6.8%) favorable to budget. Operating expenses were \$1,417k and \$226k (16%) favorable to budget. Operating expense favorability was primarily driven by lower payroll taxes & benefits, lower spending on chemicals and pesticides, and lower spending on equipment. Year to date operating excess without projects is \$395k favorable to budget.

Cardholder Services Report

Payments on past due assessments in January were 10.8% of past due balances. Overall accounts receivable increased in January by 4.5%. Overall accounts receivable past due balances have decreased in January by 1.9%. December assessments went 30 days past due at a rate of 4.9% and November assessments went 60 days past due at a rate of 2.9%.

Payments from our third-party collections firm totaled \$42,755 in January. Payments made in January through the online RCSC Web Portal totaled \$167,055 from 366 property owners.

In January, property transfer balances increased by 4.5%. Outstanding balances related to property transfers represent 53% of all receivables and 51% of past due balances. January trustee sale notices on Sun City AZ properties ended at 25, and properties owned by lending institutions remained at 1.

Information Technology Report

In January, the Information Technology team received 120 new service requests, and closed 103 requests by month end. Year to date, IT has received 120 service requests, of which 17 remain open. On average, IT is continuing to close service requests in less than one day in 2022.

During the month of January, IT completed its analysis of the IT hardware environment at RCSC and presented recommendations for upgrades to the Board of Directors. IT has begun a similar inventory of all software in use on RCSC servers as well. IT has been working with Cox on bringing new service to the Willowcreek maintenance and new Lakes maintenance buildings, and has begun a cable labeling project for the various IT closets in RCSC facilities.

Human Resources Report

Human Resources began the month of January with 5 open job requisitions and added 27 new requisitions during the month. Human Resources filled 29 open requisitions and ended January with 3 open positions. The time-to-fill requisition Key Performance Indicator ("KPI") in January was 6.3 days.

During the month of January, Human Resources issued 2021 W2 forms to all employees, completed year-end 401(k) plan testing, and processed all employee benefits changes submitted during open enrollment.

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Building & Infrastructure:

Projects:

Lakes East/West Maintenance Yard (PIF)

- Budget: \$4.0M YTD Spend: \$778k
- Building foundation work is mostly completed. Plumbing and electrical underground conduit has been placed. Aggregate base course and been laid and compacted. Rebar has been installed. The pouring of the building slab is scheduled for 02/16/22. In the past month fire, domestic water and sewer line work has commenced, including a tie-in to the main water line on Cameo Drive. Site wall and retaining wall foundations are poured and ready for site block. A minor delay in delivery of site wall block has pushed the delivery date out to 2/17/22, from the scheduled date of 02/11/22.
- **Status: Green.** Although we have experienced weather and shipment delays, we are not predicting any delays in either cost or schedule at this time.

Mountain View Rec Center Phases 1 and 2 (PIF)

- Budget: \$27.3M YTD Spend: \$81k
- Board imposed 90-day hold on new contracts has stopped progress on the detailed design phase of the project.
- NESHAP (National Emission Standards for Hazardous Air Pollutants) Asbestos Inspection report was received 01/18/22 at a cost of \$6,275. Vendor: JRM Environmental
- Asbestos abatement quotes, based on the JRM report findings (above) were received from two vendors, Spray Systems Environmental and Damage Control, LLC on 02/07/22. RCSC is evaluating these quotes; no immediate can be taken until progress can restart on the overall project.
- **Status: Yellow.** 90-day contract hold will delay schedule.

Sun Bowl Softball Field Improvements (PIF)

- Budget: \$1.0M YTD Spend: \$0
- CCBG was engaged this past month to design the storage/batting cage component of this PIF approved project. B&I held a meeting with CCBG and Softball Club president Ron Coppess on 01/12/22 at the site to discuss in detail the scope of this component of the project.
- A follow-on Request for Proposal (RFP) will be sent to CCBG for design of the new clubhouse and lighting system components of the project within the next month.
- **Status: Green.**

Viewpoint Lake Repair (PIF)

- Budget: \$6.0M YTD Spend: \$84k
- Construction Request for Proposals (RFPs) were distributed to 6 companies. Only one has responded. Refusals to quote were due to either lack of experience or lack of time and resources to complete. The sole RFP response is currently under review by Management. Contract signing is expected in early March.
- **Status: Yellow.** Cost increases due to inflation and supply chain are expected.

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Sundial Rec Center (Capital)

- Budget: \$620k Final Spend: \$518k **Project Savings: \$102k**
- The two new dehumidifier units installed in December 2021 are operational at the natatorium, but final commissioning of the interim configuration system, as well as training of RCSC staff remains to be completed. Work should complete within the next few weeks.
- **Status: Complete.**

Skilled Trades (Repair and Maintenance)

- Completed 282 work orders in January 2022

Solar:

New Issues: None

Issues Resolved:

- **Bell Lanes Café – Inverter 03**
Inverter was replaced under warranty.
- **Sundial Center – Inverter 12**
Inverter was not communicating. Also Energy fixed this issue.

Open Issues:

- **WB/WC Maintenance – Data Loggers/All Inverters**
All communication is down. Cox has the internet connected into the building. Waiting on parts to hook up the building.

Production Data:

- After including January's production data, the lifetime to-date production versus expected went down slightly but is over expected by 3.4%. The percentage of inverters producing above expected remained the same at 74%.

Golf & Grounds:

Pro Shops

Golf rounds in the first half of January started off slightly behind prior year, but significantly improved weather over prior year resulted in a strong finish. For the month total rounds played were 4,486 higher than prior year. The total rounds played in January was the highest recorded total since 2006. For the month 88.7% of the play was through Cardholders and their guests. Total income exceeded budget by 14% or \$125,609.

Free golf clinics will be offered March 5, 12, 19 & 26, at Lakes East/Lakes West. Classes begin at 9:30 a.m. Topics covered are Ball Flight, Golf Swing Fundamentals, Chipping and Putting. There is no need to pre-register, and the clinics are open to golfers of all skill levels. The clinics are a great introduction to the game of golf or great way to brush up on your game. Clinics are conducted by PGA professionals.

On February 17, Lakes East/Lakes West will be hosting the annual Teal Ribbon Tournament. The event is open to ladies and men, and no handicap is required. It is a 9-hole event with a 9:30 shotgun start with lunch to follow play at Sundial. Proceeds benefit the University of Arizona Cancer Center for Ovarian Cancer research. The entry fee is \$30.00 per person and entry forms may be picked up and turned in to any pro shop.

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Snack Shops

The robust rounds performance resulted in higher Snack Shop traffic; total Snack Shop revenue exceeded budget by 8.2% or \$5,428.

Golf Courses

The preliminary aerification/overseed schedule presented to Golf Advisory in January, was also presented to each course's Green Committee. We have not received any requests for schedule adjustments. The current schedule can be found on the RCSC website and is attached to this report below.

As we move into spring, we can expect an increase in golf rounds. With increased rounds come increased wear and tear. As temperatures warm throughout the spring, these wear and tear areas will heal faster, however we still need golfer support. We ask everyone to please fill your divots and fix your ball marks. With increased play slow play instances become more likely. We ask everyone to please practice ready golf by; playing your shot as soon as possible and when it doesn't interfere with your playing partners or the group ahead, move to your ball whenever it is safe to do so. Avoid excessive practice swings, read your putt ahead of your turn and record scores on the following tee box.

Grounds/Lawn Bowl

The pace of the greens range from a low of 12.0 seconds on Lakeview East to a high of 14.0 seconds on Mountain View. Moisture readings range from a low of 7.0 at Oakmont and a high of 11.3 on Lakeview East. Greens are watered twice per week on Tuesday and Saturday. Greens are currently mowed once per week and rolled three times per week. This frequency will increase as we move into longer and warmer days. Ditches are cleaned and raked in conjunction with green rolling.

The grounds crew has been busy keeping up with the seasonal weeds. The crew has also been busy with normal trimming, mowing and cleanup around the centers. During the January Duffeland Dog Park maintenance, the Olive Trees were sprayed to prevent/reduce fruit production. Reduced fruit production helps ease maintenance issues during the time period the olives would normally drop. We also removed stumps that had been left behind during previous tree removals.

2022 AERIFICATION/VERTICUTTING DATES

Golf Course will be Closed

Fairway Verticutting

Mon-Tue	April 25, 26	Willowcreek
Thu-Fri	April 28, 29	Willowbrook
Mon-Tue	May 2, 3	Lakes West
Thu-Fri	May 5, 6	Riverview
Mon-Tue	May 9, 10	North
Thu	May 12	Quail

Fairways Aerification

Thu-Fri	May 16, 17	Willowcreek
Mon	May 19, 20	Willowbrook
Thu-Fri	May 23, 24	Lakes West
Mon-Tue	May 26, 27	Lakes East
Thu-Fri	June 2, 3	Riverview
Mon-Tue	June 6, 7	North
Thu	June 9	Quail
Mon-Tue	June 20, 21	South

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Greens Aerification

Thu, Fri	June 23, 24	Willowbrook
Mon, Tue, Wed	June 27-29	Willowcreek
Thu, Fri	June 30-July 1	Lakes East
Tue, Wed, Thu	July 5-7	Lakes West
Mon, Tue, Wed	July 11-13	Riverview
Mon, Tue, Wed	July 18-20	North
Mon, Tue	July 25, 26	Quail
Mon, Tue, Wed	Aug 1-3	South

2022 OVERSEED SCHEDULE Golf Course will be Closed

<u>Course</u>	<u>Overseed</u>	<u>Opens</u>	<u>Off Cart Path</u>
Lakes East	Sept 26	Oct 15	Nov 4
Riverview	Sept 26	Oct 15	Nov 4
Willowcreek	Sept 26	Oct 15	Nov 4
South	Sept 26	Oct 15	Nov 4
Lakes West	Oct 17	Nov 5	Nov 25
Quail Run	Oct 17	Nov 5	Nov 25
Willowbrook*	Oct 17	Nov 5	Limited Restrictions
North*	Oct 17	Nov 5	Limited Restrictions

As of 1-14-2022

* **Willowbrook and North non overseeded fairways, cart restrictions limited only to around tees and green complexes**

Bowling:

Lakeview Lanes hosted the Bowling Over Cancer fundraiser with nearly 120 bowlers raising \$2,014 for a great cause. RCSC hosted a No-Tap tournament in January that ended up with 103 entries to the tournament.

Due to a scheduling conflict Lakeview Lanes is now hosting the Metro Phoenix USBC Senior Masters and Queens tournament on the 26th. Bell Lanes is hosting a CBE event on February 27th at 8 am. We have begun taking entries for the 27th Annual Ladies No-Tap tournament at Lakeview Lanes on March 26th.

Bowl with the Director began in February and will continue the first Thursday of every month from 10:30 am until 12:00 pm at Lakeview Lanes. This event is free to all RCSC Member/Cardholders and Sun City Bowling League Participants. The purpose of this event is for anyone who may be interested in getting back in to bowling, for current league bowlers to come by and get some extra practice and coaching and for anyone interested in an opportunity to chat with Mike Dirmyer about

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any bowling related topic. The February event hosted 15 people with 2 bowlers interested in signing up for a league.

Looking for something different? Angry Birds Bowling was introduced in February. It is a bowling game that aligns with the popular app game and is a fast-paced, 5-frame bowling game filled with excitement. This program has been structured to not interfere with anyone looking to bowl a regular game and has only been promoted to RCSC Members/Cardholders. Since its introduction, Angry Birds has averaged 39 bowlers each week.

Operations:

Chartered Clubs

Chartered Club officer training was completed in January. This was originally scheduled for in person training but instead the presentation was recorded and made available online for club officer viewing. Feedback was positive for this change with some clubs saying they had watch sessions with club members together. This provides an environment for dialog during the material presentation that is not available in lecture format. Club Treasurer training sessions are scheduled for February. This new training is focusing on training new club Treasurers on the filing of the 990 forms with the IRS.

Centers Operations

A town hall style Q&A session was held on Wednesday 2/9/2022 at Oakmont Center to present the proposed changes to the pool and spa there. Because of the preference of the salt system by some RCSC Cardholders we wanted to present the project details to educate Cardholders and answer questions proactively. With the challenges faced at this aquatics center, including increased maintenance and costs of the salt cell chlorination systems and ultraviolet (UV) systems, and the labor-intensive cleaning of the cartridge filters, we developed an upgrade path for the pool and spa. This plan includes the installation of new deep bed sand filters with glass media, hyper dissolved oxygen (HDO) sanitation systems, ozone sanitation systems and chemical controllers. This upgrade path provides for an alternative to the current salt system that will allow the regulation of the water chemistry with much fewer chemicals as well as providing a swimmer feel benefit. This is a capital project budgeted in 2022 and is anticipated to be completed in April with 7-10 days of downtime.

Events and Entertainment:

The Sundial Ticketed shows are still selling well. At this point there are two (2) sold out evening performances, and the sales for the matinee shows are steadily rising.

The remaining Sundial ticketed shows for the month of February are "Manilow & Streisand" on the February 16 and "You're Still the One" a tribute to Blood, Sweat & Tears, on February 23.

March promises to be our busiest month again this year as we prepare for the Senior Prom, which is at Sundial Auditorium on Friday, March 4 from 6-9pm. There are already over 250 tickets out for this event. The theme this year is "Glitz and Glamor." I have been told that residents are searching the local resale stores for glamorous attire for this event. As always, a king and queen will be crowned, and there will be non-stop dancing.

On Sunday, March 6 we will kick off the Sun Bowl spring series with "Strait Country," a tribute to George Strait. Food trucks are scheduled, and we are ready to get Sun City back on the dance floor.