

RCSC Management Report – March 31, 2022

Finance:

Financial Report

The Recreation Centers of Sun City, Inc. (RCSC) ended February 2022 within its operating and capital budget year to date. All Divisions except for Events & Entertainment have met or exceeded their net operating budget projections year to date. Operating income for February totaled \$2,501K and was \$213k (8.5%) favorable to budget. Operating expenses were \$1,432k and \$133k (9.3%) favorable to budget. Events and Entertainment is \$16.6k unfavorable to budget year-to-date due to ticket sales for matinee performances being less than budgeted. Operating expense favorability was primarily driven by lower payroll taxes & benefits, lower spending on building projects, and lower spending on chemicals and pesticides. Year to date operating excess excluding projects is \$758k favorable to budget.

Cardholder Services Report

Payments on past due assessments in February were 7.9% of past due balances. Overall accounts receivable increased in February by 1.3% and is up 5.9% from the beginning of the year. Overall accounts receivable past due balances have increased in February by 2.0%. January assessments went 30 days past due at a rate of 5.9% and December assessments went 60 days past due at a rate of 2.2%.

Payments from our third-party collections firm totaled \$17,480 in February. Year to date payments through our third-party collections firm total \$60,234. Payments made in February through the online RCSC Web Portal totaled \$173,131 from 375 property owners. Year to date web portal payments total \$340,186 from 741 property owners.

In February, property transfer balances increased by 0.5%. Outstanding balances related to property transfers represent 53% of all receivables and 54% of past due balances. February trustee sale notices on Sun City AZ properties ended at 26, and properties owned by lending institutions remained at 1.

Information Technology Report

In February, the Information Technology team received 140 new service requests, and closed 133 requests by month end. Year to date, IT has received 260 service requests, of which 24 remain open. On average, IT is continuing to close service requests in less than one day in 2022.

IT has begun working on the IT Infrastructure Upgrade project approved by the Board in February. In the past month, IT has selected a vendor for the server / storage hardware and placed the order for this equipment. IT is working with Cox on internet service level upgrades that will improve network performance across all RCSC facilities. IT has hired a System Engineer who will be closely involved with the server and storage replacement project, and who also will assist with the network and IT closet upgrades.

Human Resources Report

Human Resources began the month of February with 3 open job requisitions and added 31 new requisitions during the month. Human Resources filled 23 open requisitions and ended February with 11 open positions. The time-to-fill requisition Key Performance Indicator ("KPI") in February was 7.2 days. During the month of February, Human Resources filled the open Administrative Coordinator position and is again fully staffed.

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Building & Infrastructure:

Projects:

In Progress

Lakes East/West Maintenance Yard (PIF)

- Budget: \$4.0M Total Cost to date: \$1.0M
- Building masonry walls topped out on 03/18/22. Steel roof joist installation set to begin 03/21/22. Perimeter site wall masonry work continues.
- **Status: Green.** Although we have experienced weather and shipment delays, we are not predicting any delays in either cost or schedule at this time.

Sun Bowl Softball Field Improvements (PIF)

- Budget: \$1.0M Total Cost to date: \$1,000
- Reviewed initial architectural drawing set. Awaiting civil engineering plan.
- 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 month.
- **Status: Green.**

Viewpoint Lake Repair (PIF)

- Budget: \$8.0M Total Cost to date: \$84k
- A kickoff meeting was held with the RCSC selected project firm, Pacific Aquascape International, on 03/14/22. Pacific Aquascape to submit a draft AIA A141-2014 contract by the end of the month. An informational meeting with the Viewpoint Lake Homeowners Association has been scheduled for 03/28/22 at 2:00 pm at the Sundial Auditorium.
- **Status: Green.** Project to conform to revised PIF budget

Recently Completed

Bell Lanes

- Replaced an evaporative cooler serving George's Cafe. Project was completed on 03/01/22 at a cost of \$4,082. Contractor: Sunstate Mechanical.

Bell Rec Center

- Enlarged book return opening on an exterior wall at the library for a larger book sorter device. Project was completed 03/07/22 at a cost of \$4,884, which will be reimbursed to RCSC by the Friends of the Library. Contractor: K.L. McIntyre Construction

Lakeview Rec Center

- Replaced a 4-ton gas/electric split HVAC system serving RCSC admin office. Project was completed on 03/15/22 at a cost of \$8,470. Contractor: Custom Cooling
- Replaced a 7.5-ton gas pack HVAC system serving the Carvers/Leather club room. Project was completed on 03/15/22 at a cost of \$10,894. Contractor: Custom Cooling

Oakmont Rec Center

- Replaced an evaporative cooler serving the pool pump room. Project was completed on 02/28/22 at a cost of \$3,952. Contractor: Sunstate Mechanical.
- Replaced a 3-ton packaged heat pump serving the Weaver's club room. Project was completed 03/17/22 at a cost of \$7,954. Contractor: Custom Cooling

South Golf Maintenance

- Installed an electric operator for the South mechanics 16' rollup door. Project was completed on 02/15/22 at a cost of \$6,326. Contractors: Accel Electric and D.H. Pace
- Replaced 10 exterior induction lights with LED lights on building and added 3 LED lights on site block wall. Project was completed on 02/16/22 at a cost of \$8,814. Contractor: Accel Electric

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Sun Bowl Amphitheater

- Replaced single pane glass windows and replaced with glass block. Project was completed on 02/25/22 at a cost of \$2,877. Contractor: DFG Builders LLC.

Sundial Rec Center

- At the Silver Stones club, removed existing interceptor tank and associated plumbing. Added new piping for two sinks then installed a new interceptor. Project was completed on 03/01/22 at a cost of \$2,591. Contractor: Sunland Plumbing.

On Hold

Mountain View Rec Center Phases 1 and 2 (PIF)

- Budget: \$27.3M Total Cost to date: \$81k
- Board imposed 90-day hold on new contracts has stopped progress on the detailed design phase of the project.
- **Status: Yellow.** 90-day contract hold will delay schedule.

Sundial Rec Center (Capital)

- Budget: \$500k Total Cost to date: \$0
- A quote for the follow-on order of 2 additional dehumidifiers was received from W.D. Manor on 01/10/22. A significant 47% price increase for these units has led RCSC management to modify our purchase request to only one dehumidifier to fit within the 2022 budget allocated for this project. A revised proposal was received 02/08/22 and is under review. Contractor: W.D. Manor Mechanical Contractors.
- **Status: Yellow.** Increased inflationary and supply chain costs may further impact this project until the contract is signed.

Skilled Trades (Repair and Maintenance)

- Completed 376 work orders in February 2022

Solar:

New Issues:

Issues Resolved:

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 when parts arrive IT will hook up.

Production Data:

After including February's production data, the lifetime to date production versus expected went down slightly and is over expected by 3.39%. The percentage of inverters producing above expected went down one percent to 73%.

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Golf & Grounds:

Pro Shops

Through February, the total rounds played are 83,167 and are the third highest recorded total since 2006 and are 4,589 ahead of last year's pace. Of the regulation courses Willowcreek has played the most rounds (12,433), followed by Riverview (12,414), Lakes West (12,279), North (11,717) and South (11,351). For the executive courses Lakes East has played the most rounds (8,311) followed by Willowbrook (8,129) and Quail Run (6,533). For the year 84.4% of rounds played have been by cardholders and their guests. Of the total rounds played, 49.5% of the rounds have been played by Annual Passholders and Annual Surcharge Passholders. Total revenue for the year is 21% ahead of budget.

We are sad to announce that Bob Jennings, one of our independent teaching professionals, will be retiring from teaching at the end of April. We thank Bob for his many years of providing quality instruction and wish him well in his renewed retirement. We have brought on board Shane Crosley to fill the vacant spot and will be teaching the free clinics in March. Following playing for the University of Wyoming, Shane joined the PGA of America as a club professional, earning his Class A status in August of 1997.

The last chance for Get Golf Ready classes for this season will be coming up in April. Get Golf Ready classes consist of 4 group lessons, with groups consisting of 8 students or less and a 5th, on course, playing lesson with the instructor. These classes are designed for a beginning golfer to become comfortable with the on-course processes of playing but can be beneficial to an established golfer looking to get back to basics. All classes are held at Willowbrook/Willowcreek, and paid registrations can be made through Chris Linam at 623-876-8419, through the Riverview Pro Shop.

We have scheduled a night golf event for Saturday April 16th at Lakes East. Check-in will begin at 5:30 p.m. Dinner will be 6:00 p.m., and play will start at 7:00 p.m. The format will be a two-person scramble with an entry fee of \$35.00. Entry forms will be available at all pro shops, and we ask that the entries be turned in at Lakes East/Lakes West pro shop. Green fees will be paid on the day of play, and entry fees will be due April 8th.

April also marks the unofficial end of a busy Winter/Spring tournament schedule. We have April Showers beginning April 1st, the SCWGA Champion of Champions the week of April 4th, the SCMGA 3-Man Hot Ball Tournament beginning on April 8th and, the highlight of the month for many, the Ladies and Men's Octogenarian events at Quail Run. The Ladies event will be held the week of April 11th and the men's the week of April 18th.

Snack Shops

Snack Shop revenue has benefitted from the high number of golf rounds with total revenue for the year 14% ahead of budget. Snack Shop closing time remains at 5 PM, but snack shops are given the discretion to remain open longer for special events or unusually high late traffic days.

Golf Courses

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.

As a reminder, we respectfully ask that golfers refrain from entering private property to retrieve errant golf balls. While there are some homeowners that are not bothered by golfers retrieving errant shots, there are many that feel violated when someone enters their property to retrieve a ball. Please remember that when retrieving an errant shot on a homeowners property, you are trespassing, unless you have been given permission to do so. We ask for your cooperation in respecting the property of others.

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Lawn Bowl and Grounds

The pace of the greens range from a low of 12.9 seconds on Oakmont to a high of 14.6 seconds on Bell North. Moisture readings range from a low of 8.0 at Bell South and a high of 10.2 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 remains busy at the Centers trimming trees and spraying weeds.

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

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

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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 both the Sun City Bowling Association Annual No-Tap Doubles Tournament with 132 bowlers participating and the 13th Annual League Officer Appreciation Tournament with 75 participants.

Lakeview Lanes will be hosting the 27th Annual Ladies No-Tap Tournament on March 26th with 92 bowlers already signed up for the event.

The Summer League Schedule is published for both Centers. Space is available every day of the week. A new summer league program will be a No-Tap League on Tuesday evenings at Bell Lanes.

Bowl with the Director continued in March 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 an opportunity to chat with Mike Dirmyer about any bowling related topic. The events have been well received and the feedback has been tremendously positive. The next event is April 7, 2022.

Angry Birds Bowling has continued with great success. Since its introduction, the event has averaged 30-40 participants every Saturday night. Angry Birds Bowling is a bowling game that aligns with the popular app. game and is a fast-paced, 5-frame bowling game filled with excitement.

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Operations:

Chartered Clubs

All Chartered Clubs have filed 2021 financials with the Clubs Office. Additionally, 68% of clubs have completed the online officer training session and 84% required to submit attendance spreadsheets have done so through February. To date almost half of clubs have filed 990 forms with the IRS. The deadline for filing is May 15th so many clubs are well ahead of this required timeline.

Centers Operations

The dehumidifier for the indoor spa at Mountain View failed in January. While the replacement of this unit was included in the 2022 capital budget due to the projected use of this amenity during any construction activities, the cost has come in 30% over the projected budget. After further review of the usage statistics of this indoor spa, the projected cost of over \$100,000 for an average of 6 check ins per day is a disproportionate cost to overall usage. We have been able to exhaust the spa room during the cooler months but will be unable to do this when the temperatures increase. As a result, the indoor spa at Mountain View will be closed permanently to prevent damage to this building from moisture buildup. The target date for this closure is May 1, 2022 but may be accelerated should temperature increases warrant this.

March has been a busy month at Centers as this is the first full Spring season in three years. We are seeing an increase in scheduled activities throughout the month. In addition to the smaller activities, our Custodians and Area Custodian Supervisors have set up, torn down, and/or cleaned up after approximately 50 events in March that were attended by an estimated 24,000 Cardholders and guests.

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 Manilow & Streisand show that was scheduled for February 16 was postponed until Wednesday, April 6, 2022. We have refunded and/or exchanged tickets for those who will not be here in Arizona in April. We are still selling tickets for this postponed performance.

The month of March began with "The Broadway Concert Experience". There were approximately 250 attendees in the matinee performance and approximately 700 in the evening performance; and an incredible performance it was. Friday, March 4th, we held the annual "Senior Prom" with 325 in attendance. This was the first year we had a DJ instead of a live band. Sun City in Focus was in attendance to video the event.

On Sunday, March 6 we opened the Sun Bowl spring series with "Strait Country", a tribute to George Strait. There were approximately 2500 people who attended.

On Wednesday, March 9, we were back at Sundial with the Linda Ronstadt tribute. Over 300 attended the matinee show and 800 attended the evening show.

The weather was perfect for the second show of the Sun Bowl spring series. The band "Outside the Line," a Motown variety performer, played to a packed audience. The dance floor was full from beginning to end.

Due to high winds the Sun Bowl show that was scheduled for Sunday, March 20 was moved inside to the Sundial Auditorium. The auditorium was full forcing our team to set up four additional racks of chairs to accommodate the crowd.

There are three remaining shows in the Ticketed series for March, and the Sun Bowl Sunday, free shows will continue through April 24.