

RCSC Management Report – May 26, 2022

Finance:

Financial Report

The Recreation Centers of Sun City, Inc. (RCSC) ended April 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 April totaled \$2,275K and was \$228k (10.0%) favorable to budget. Operating expenses for April were \$1,539k and \$47k (3.1%) unfavorable to budget. Operating expense unfavorability was primarily driven by building projects, spending on the unbudgeted IT Upgrade project, and spending greater than forecast on gas and electric. Year to date net operating excess excluding projects is \$1,182k (31.6%) favorable to budget.

Cardholder Services Report

Payments on past due assessments in April were 11.5% of past due balances. Overall accounts receivable decreased in April by 1.1% and is up 0.8% from the beginning of the year. Overall accounts receivable past due balances have decreased in April by 2.4%. March assessments went 30 days past due at a rate of 3.3% and February assessments went 60 days past due at a rate of 2.0%.

Payments from our third-party collections firm totaled \$58,298 in April. Year to date payments through our third-party collections firm total \$152,470. Payments made in April through the online RCSC Web Portal totaled \$172,840 from 373 property owners. Year to date web portal payments total \$694,390 from 1,497 property owners.

In April, property transfer balances increased by 0.03%. Outstanding balances related to property transfers represent 52% of all receivables and 53% of past due balances. April trustee sale notices on Sun City AZ properties ended at 34, and properties owned by lending institutions remained at 1.

Information Technology Report

In April, the Information Technology team received 152 new service requests, and closed 142 requests by month end. Year to date, IT has received 564 service requests, of which 42 remain open. On average, IT is continuing to close service requests in less than one day in 2022.

RCSC has ordered all server and storage equipment but expected delivery may be several months out due to supply chain issues. IT has issued RFPs for the Network equipment and should order this equipment in May. IT has begun installing SDWAN equipment with the initial installation at Willow maintenance, and Lakeview next on the schedule. IT is working with Cox to assist with delivering network services to the new Lakes Maintenance facility.

Human Resources Report

Human Resources began the month of April with 7 open requisitions and added 24 new requisitions during the month. Human Resources filled 22 open requisitions and ended April with 9 open positions. Year to Date, HR has opened 95 job requisitions and filled 91 job openings. The time-to-fill requisition Key Performance Indicator ("KPI") in April was 12.4 days.

Human Resources has begun evaluating salary benchmarking services and is devising a plan to compare RCSC wage rates to like companies. Human Resources has also started tracking turnover for all divisions and the company overall, for the purpose of tracking this metric against KPI's.

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Building & Infrastructure:

Projects:

In Work

Lakes East/West Maintenance Yard (PIF)

- Budget: \$4.0M Total Cost to date: \$1.0M (thru April 2022)
- Interior stud framing, electrical and fire sprinkler rough-in, application of stucco completed the week of 05/09/22.
- **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 Total Cost to date: \$81k (thru April 2022)
- CCBG resubmitted their design proposal with reduced cost at the request of RCSC. Awaiting conversion of the proposal into a standardized AIA B101 contract. This should be complete before the end of the month.
- **Status: Yellow.** Schedule to be assessed upon execution of CCBG contract

Sun Bowl Softball Field Improvements (PIF)

- Budget: \$1.0M Total Cost to date: \$1,000 (thru April 2022)
- Reviewed initial architectural and civil engineering drawing set. Reviewed with Softball Club officials on 05/04/22. Review comments to be shared with CCBG by 05/20/22.
- A follow-on Request for Proposal (RFP) has been sent to CCBG for design of the new clubhouse and lighting system components of the project.

- **Status: Green.**

Viewpoint Lake Repair (PIF)

- Budget: \$8.0M Total Cost to date: \$84k
- Pacific Aquascape International submitted the final AIA 141-2014 contract to RCSC on 05/10/22. Contract is in signature routing at RCSC. Initial design activities were authorized to keep overall project schedule on track prior to contract execution. Information Session #2 with the Viewpoint Lake Homeowners Association is set for 05/26/22 at 12:30 pm at Sundial Recreation Center.
- **Status: Green.** Project to conform to revised PIF budget

Recently Completed

Bell Rec Center

- Fabricated and installed four (4) new shade sails over the walking pool. Project was completed on 04/21/22 at a cost of \$11,473. Vendor: Total Shade
- Removed and replaced three (3) 7.5-ton HVAC units with Trane electric units. These units serve the fitness location at the center. Project was completed on 04/21/22 at a cost of \$36,840. Contractor: Custom Cooling
- Installed 18 new LED replacement fixtures serving the racquetball courts. Project was completed on 04/29/22 at a cost of \$5,838. Contractor: Kortman

Fairway Rec Center

- Added 2 pass-thru entryways to expand the Ceramics club into the recently vacated China Painters club space. Shelving was also added. Project was completed 04/23/22 at a cost of \$5,947. Contractors: Exquisite Painters, Accel Electric, Resource Flooring and B&I Skilled Trades
- Added new vertical blinds in the Music room. Project was completed on 04/25/22 at a cost of \$5,950. Vendor: 3 Day Blinds

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Lakes Snack Shop

- Removed and replaced existing felt and shingles with new felt and 30-year shingles. Project was completed on 05/04/22 at a cost of \$22,281. Contractor: Starkweather Roofing, LLC

Lakeview Rec Center

- Added a 2nd display case on the outer corridor of the Artists by the Lake club. Project was completed on 04/20/22 at a cost of \$735. Vendor: B&I Skilled Trades

North Maintenance

- Removed and replaced two (2) evaporative coolers serving the shop. Project was completed on 05/02/22 at a cost of \$6,982. Contractor: Custom Cooling

Oakmont Rec Center

- Removed and replaced a 7.5-ton HVAC unit with a Trane packaged gas electric unit. Project was completed on 04/22/22 at a cost of \$11,009. Contractor: Custom Cooling
- Installed new Hyper Dissolved Oxygen systems for the pool and spa. This replaces the chlorine salt cell and ultraviolet light systems which had reached the end of their expected life. Project was completed on 05/04/22 at a cost of \$199,045. Vendor: Exceptional Water Systems LLC

Sun Dial Rec Center

- Completed final permitting, installation, and staff training for the initial set of two (2) 25-ton Dunham-Bush dehumidifiers serving the natatorium. Project was completed on 05/04/22 at a cost of \$517,188. Contractor W.D. Manor Mechanical Contractors

On Hold

Sundial Rec Center (Capital)

- Budget: \$500k Total Cost to date: \$0
- A quote for the follow-on order of 2 additional 25-ton 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 the 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 revised again on 05/04/22 and is under review by RCSC Management. 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 335 work orders in April 2022

Solar:

New Issues:

Issues Resolved:

Open Issues:

- **WB/WC Maintenance – Data Loggers/All Inverters**
Waiting on IT to hook WB/WC system into the mainframe at Lakeview.

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Production Data:

After including April's production data, the lifetime to date production versus expected went down slightly and is over expected by 3.27%. The percentage of inverters producing above expected stayed the same at 73%.

Preventive Maintenance:

Kortman is checking their schedule for when they can do the yearly preventive maintenance.

Golf & Grounds:

Pro Shops

Total revenue exceeded total budget by 25.2% and prior year by 3.5%. Merchandise sales missed budget slightly, with the other major categories all exceeding budget. For the first time this year we saw a reduction in rounds played, falling behind prior year by 710 rounds.

Through April, Year to date revenue is \$734,576 ahead of budget and \$419,617 ahead of prior year. Through April total rounds are 5,788 ahead of prior year. Annual Surcharge, Staff and Public Daily Fee play are the only categories to decrease from prior year. Annual No Fee, Cardholder and Guest rounds were the biggest gainers to prior year, combining to be 6,480 rounds ahead of prior year.

With the summer temperatures returning here are a couple of reminders. June 1st twilight will start at 10:45 a.m. and with the days getting longer and pro shops closing at 5:00pm don't forget our after 5 golf passes. The After 5:00 card for Surcharge Pass holders is \$12.00 and for daily fee cardholders it is \$44.00. After 5:00 cards are available at any of our pro shops and are valid 30 days from the date of purchase.

Snack Shops

Snacks shops are now consistently closing at 3:00 PM and will shift to 1:00 PM closings as demand lessens.

Golf Courses

Fairway aerification will began May 16 at Willowcreek Golf Course and continue through June 21 at the South Course. Aerification of fairways helps to relieve the compaction resulting in play and further allows increased oxygen and moisture to reach the root zones of the fairways. The last big agronomic event, Greens Aerification, begins June 23 on Willowbrook Golf Course and continues through August 3 at the South Course.

On May 2 RCSC conducted the annual USGA visit with Brian Whitlark from the USGA Green Section. Mr. Whitlark is a professional soil scientist and holds a B.S. and M.S. degrees from the Department of Soil, Water and Environmental Science. During the visit we spent time at South, North, Lakes West, Riverview, Willowcreek and Willowbrook. Highlights of the visit are as follows. Overall health of the putting greens on all courses was reported with some courses requiring improved quality of cut. Superintendents are working with their respective equipment mechanics to improve the quality of cut. Firmness of green surrounds was reported with the current allowance of 5 carts as a contributing factor. We still feel that the compaction issues can be addressed in the summer months and are not ready for a recommendation to return to the 3 cart rule. High praise was given for the turf facility under construction at Lakes West/Lakes East. A good deal of time was spent in bunkers with much discussion of firmness. The courses with firm bunkers were already being considered for sand replacement based on age of sand. However, following Brian's recommendations we have sent samples of current sand out for testing to determine the extent of dust contamination. High praise was given for the elimination of overseeding at the South and Lakes East courses last year, and discussion was had related to grasses that would enable a broadening of this practice. Equipment was analyzed and a recommended replacement strategy was discussed. The full report is now available on the RCSC website under Golf.

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Lawn Bowl/Grounds

Pace of the Lawn Bowl greens range from 13.0 seconds on Lakeview East to 14.5 seconds on Bell North. Moisture readings range from 9.8 on Bell South to 13.0 on Lakeview West. In addition to the heavy verticutting processes all the greens will receive this summer, the Grounds Crew will be working through the processes necessary to lower the green surface at Mountain View to the level of the plinth board. The Centers are going through the normal processes of trimming, cutting and edging.

Bowling:

The Summer League Schedule is published for both centers with League play beginning in May. There are currently 194 new bowler sign-ups for the Summer Leagues compared to 2021.

The 32nd Annual Sun City Open Tournament finished in May. There were 70 total teams that participated. The tournament brought in an additional \$7k in revenue. The bowlers were very impressed with the state of the facilities. They commented on cleanliness, the consistent lane conditions, how well the pinsetters had run, and how pleasant the staff is.

The Bell Lanes Summer Tournament program has been scheduled with tournaments and flyers posted in the Bowling section of the RCSC website. The May tournament is already full. The Turkey Shoot is back and included in the upcoming events. For the June event, an extra squad will be added, raising the maximum number of bowlers from 80 to 128 that can participate.

Bowl with the Director continued in April 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 June 2, 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.

Operations:

Centers Operations

The project to update the Oakmont pool and spa to the hyper dissolved oxygen and ozone sanitation systems was completed and the aquatics areas reopened on 5/5/2022. RCSC staff completed a training session on the new system prior to the reopening. The filtration components were received and installed for the pool though the delivery of the new deep bed sand filters for the spa are delayed. The new systems are up and running for the spa using the existing cartridge filters with new cartridges. The new filters are estimated for receipt in August and upon delivery the new filters will be installed for the spa. This will result in an additional 2-3 days of downtime for the spa at that time.

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Events and Entertainment:

The Events and Entertainment Department has shifted into low gear as the winter/spring events conclude.

We are currently working on the July 4th "Ring That Bell" celebration, and this year we will have special performances by the Sun City Poms. Lunch will follow the celebration in the Bell Bowling center with free bowling, shuffleboard, darts, and billiards for all RCSC Cardholders and their escorted guests. We look forward to seeing you there.

We continue to work with vendors to obtain an online ticketing program by the time we go on sale for the 2023 concert series.

As summer approaches we will continue to work on summer projects, summer events and facility rentals. The A/V Department is busy developing and updating a Preventative Maintenance schedule for all equipment, Centers, and golf courses throughout RCSC.

The next performance to be hosted by the Events and Entertainment Department is a free, indoor concert at Sundial Auditorium on Wednesday, June 15 when we welcome back to Sun City "Americana". Doors are at 6:00pm and show time is 7:00pm. See you there.

Have a safe, great summer!