

RCSC Management Report – September 29, 2022

Finance:

Financial Report

The Recreation Centers of Sun City, Inc. (RCSC) ended August 2022 within its operating and capital budget year to date. All Divisions except Food & Beverage and General & Administrative have met or exceeded their net operating budget projections year to date. Food & Beverage is (\$21.0k) unfavorable year to date due to building and equipment repairs at the cafes over budget by (\$20.5k). General & Administrative is (\$7.0k) unfavorable to budget due to spending on the unbudgeted IT Upgrade project. Operating Income for August totaled \$1,676k and was \$121.8k (7.3%) favorable to budget due primarily to Prepaid and Public Greens Fees being \$40.4k and \$17.9k favorable to budget, respectively. Operating expenses for the month were \$1,698k and \$109.7k favorable to budget due primarily to the timing of the Seed purchase for overseeding. Net Operating Excess excluding projects is \$1,823k (45.3%) favorable to budget year to date.

Cardholder Services Report

Payments on past due assessments in August were 12.4% of past due balances. Overall accounts receivable increased in August by 2.1% and is up 6.9% from the beginning of the year. Overall accounts receivable past due balances have decreased in August by 2.6%. July assessments went 30 days past due at a rate of 5.4% and June assessments went 60 days past due at a rate of 1.4%.

Payments from our third-party collections firm totaled \$40,362 in August. Year to date payments through our third-party collections firm total \$300,184. Payments made in August through the online RCSC Web Portal totaled \$163,102 from 353 property owners. Year to date web portal payments total \$1,397,607 from 3,011 property owners.

In August, property transfer balances increased by 7.1%. Outstanding balances related to property transfers represent 59% of all receivables and 58% of past due balances. August trustee sale notices on Sun City AZ properties increased by 1 to end at 29, and properties owned by lending institutions remained at 1.

Information Technology Report

In August, the Information Technology team received 104 new service requests, and closed 98 requests by month end. Year to date, IT has received 1,044 service requests, of which 37 remain open. On average, IT is continuing to close service requests in less than one day in 2022.

Due to a lack of sufficient power in the current server room, and the necessity of running a new fiber connection from the warehouse to Lakeview, IT is evaluating the possibility of moving the server room from the Warehouse to Lakeview. While this will delay the upgrade project several months, it would allow IT to build a more dependable server room with ample available power, upgraded HVAC and fire suppression, and additional rack space for future expansion.

Human Resources Report

Human Resources began the month of August with 7 open requisitions and added 17 new requisitions during the month. Human Resources filled 18 requisitions and ended August with 6 open positions. Year to date, HR has opened 181 positions and filled 180 openings. The time-to-fill requisition KPI in August was 6.1 days.

RCSC Management Report – September 29, 2022

HR is almost complete converting paper-based employee files to electronic format. HR is working on improvements to the wage and benefits structure at RCSC for 2023, in an effort to become more competitive in employee recruiting and retention.

Building & Infrastructure:

Projects:

In Work

Lakes East/West Maintenance Yard (PIF)

- Budget: \$4.0M Total Cost to date: \$2.8M (thru August 2022)
- Preparation for paving is taking place, including site re-grade and placement of aggregate base course. Exterior lighting has been installed. The rolling entry gate has been installed. Temporary security fencing has been removed. Paving is set for September 21.
- Revised completion date October 28, 2022
- **Status: Yellow** Project is still within budget but behind the original completion schedule due to weather delays and rework associated with a revised drainage design.

Mountain View Rec Center Phases 1 and 2 (PIF)

- Budget: \$27.3M Total Cost to date: \$81k (thru August 2022)
- Schematic design is in-progress.
- Request for Proposal for General Contractor candidates went out 09/12/22. Four contractors were invited to propose. Proposals due 10/03/22
- **Status: Green**

Sun Bowl Softball Field Improvements (PIF)

- Budget: \$1.0M Total Cost to date: \$7K (thru August 2022)
- Initial drawing set for the clubhouse rebuild sent to RCSC on 06/29/22; review with Operations and Softball club pending release of civil preliminary set.
- Delay in the project progress due to an Operational decision to encompass security measures at site. Project is back on schedule with proposals being sought from Multicard and Fire Security Electronics & Communications for door security and video surveillance elements
- **Status: Green.**

Sundial Rec Center Dehumidifier (Capital)

- Budget: \$500k Total Cost to date: \$127K (thru July 2022)
- Contract signed 06/07/22. Installation/Completion forecast for January 2023. Contractor: W.D. Manor Mechanical Contractors.
- **Status: Green.**

Viewpoint Lake Repair (PIF)

- Budget: \$8.0M Total Cost to date: \$626k (thru August 2022)
- Pacific Aquascape International is hosting on-site meetings with affected homeowners. RCSC is also in attendance at these meetings. Meetings began August 2 and will run thru early October.
- Lake Draining process began 07/05/22, water level down 5.3 feet (as of 09/13/22)
- **Status: Green.**

RCSC Management Report – September 29, 2022

Recently Completed

Fairway Rec Center

- Repaired asphalt cracks; applied new sealer and re-striped the eastern section of the Fairway parking lot. Project completed 08/26/22 at a cost of \$5,622. Vendor: Sunland Asphalt

Skilled Trades (Repair and Maintenance)

- Completed 519 work orders in August 2022

Solar:

New Issues:

LV Lanes – SMA Inverters

- SMA inverters are not talking to Also Energy. Kortman is looking into this issue.

WB/WC Maintenance Inverters 3,7,8,9,10,11,14

- New data loggers are being installed by Kortman.

Issues Resolved: N/A

Open Issues:

WB/WC Maintenance – Data Loggers/All Inverters

- Waiting on IT to hook WB/WC system into the mainframe at Lakeview.

Bell Lanes Café – Inverter #05

- Power one is awaiting parts to repair inverters the parts are expected to come in from Italy in October.

Production Data:

- After including August's production data, the lifetime to date production versus expected went stayed the same at 3.27%. The percentage of inverters producing above expected stayed the same at 73%.

Preventive Maintenance:

- Kortman in the process of performing yearly preventive maintenance at all inverter locations.

RCSC Management Report – September 29, 2022

Golf & Grounds:

Pro Shops

Total rounds for August were 17,875. The total was 1,083 greater than prior year and the second highest recorded total for August in the last 17 years. For the year we have played 248,809 rounds, which represents our highest 7-month total in 16 years. Among the regulation courses Riverview has played the most rounds (39,965), Lakes West has the second highest total (38,746), followed by Willowcreek, South and North. For the executive courses, Lakes East has played the most rounds (23,825), followed by Willowbrook and Quail Run.

Of the 248,809 rounds played this year, 129,933 have been played by Annual No Fee (Resident) and Annual Surcharge passholders. Remaining rounds have been played by Cardholder Daily (45,372), Cardholder Guest (26,345), RCSC Staff (6,600), Non-Resident passholder (9,636) and Public (30,923).

We had 64 participants participate in our "Patriot Day" golf event on September 2, short of our normal turnout of around 90 players. "Patriot Golf Day" was organized with the help of PGA of America to raise funds for the Folds of Honor Foundation. The money raised is used to fund scholarships for spouses and children of military service men and women killed or disabled while serving our country. Through the tournament entry and 50/50 raffle we raised \$840 for the Folds of Honor.

Get Golf Ready classes begin in November, with full schedule released the beginning of October. Classes will be scheduled through April, with varying start times and days. Get Golf Ready classes are designed for beginners but can prove useful to established golfers looking to brush up on the basics. To register for classes contact Chris Linam, at 623-876-8419 or via email at clinam@suncityaz.org.

We also have our free golf clinics, held Saturdays in November, with the first class held on November 5. The classes begin at 9:30 a.m. on the Lakes West driving range. There is no need to preregister, though we do recommend arriving early to provide time for the instructors to organize stations and provide clubs to those students that do not have their own.

Snack Shops

Snack shops are now closing at 1:00 p.m. on a consistent basis, though will remain open longer, depending on demand. Beginning in October snack shops that are open will close at 3 p.m..

Golf Courses

All major summer agronomic procedures have been completed with overseeding beginning on September 26 at Lakes East, Riverview, Willowcreek and South. These courses will reopen on October 15 with cart path restrictions in place until November 4. The remaining courses will close October 17 and reopen November 5 with cart path restrictions in place until November 25. We will not be overseeding the fairways on Willowbrook or Lakes West. These courses will reopen with limited cart path restrictions. The long-term weather outlook is favorable to begin overseeding on time. Therefore, there is no need to push the overseed back one week as has been mentioned in previous reports.

We had originally intended for the North course to forgo overseeding this year. However, potential challenges with the irrigation system at Lakes West resulted in a change of plans. There are many points of potential failure with the changes in the system caused by the Viewpoint Lake renovation project. Reducing the overall acreage receiving overseed will put far less stress on the system. As a result of this change the North course will undergo the Tif Tuf trials beginning

RCSC Management Report – September 29, 2022

in 2023 on the front 9 fairways. To prepare for this the front 9 fairways on North will be chemically sprayed to weaken the current bermuda, as it begins to go into dormancy. The weakened state will provide for easier total removal in the spring of 2023, as we prepare the surface to receive the Tif Tuf sprigs.

Grounds and Lawn Bowl

Lawn Bowl pace is running from a low of 10.0 seconds on Oakmont to a high of 12.2 seconds on Mountainview. Moisture readings are running from a low of 8.4 at Bell North to a high of 11.7 at Oakmont. For the summer the greens were aerified a total of four times, using a combination of solid, hollow and deep tines. Greens have been planed once and verticut four times. In August we used a two-ton roller to help restore the smoothness of greens. The greens will be rolled one additional time in September.

Overseeding will begin the last week of September for the Lakeview Center and Sunbowl. The plentiful summer rains have resulted in the need for additional trimming and weed removal.

Bowling:

Fall league bowling has begun with each league underway. All leagues have come in at or above the number of teams bowled last year.

The Bell Lanes Summer Tournaments continue the final Sunday in September. For the August event, an extra squad was added, allowing 133 bowlers to participate. The September event is the Mixed Scotch Doubles Tournament with 38 teams currently signed up.

Bowl with the Director continued in September and will continue the first Thursday of every month from 10:30 am until 12:00 pm at Lakeview Lanes. The September event had 28 people attend. This event is free to all RCSC Member/Cardholders and Sun City Bowling League Participants. The purpose of this event is to support 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 October 6, 2022.

Angry Birds Bowling has continued with great success. Since its introduction, the event has averaged 30-50 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.

At the September Member/Board exchange an issue was raised related to member playing priority over outside players. Since allowing guests to join leagues in the late 90's, league signups have always been taken on a first come first serve basis. This summer was no different. However, league demand has been steadily increasing. In order to ensure member priority, we will be adjusting the league sign up forms to allow members to add their RCSC card number to the form. This will ensure that the bowling department will be able to manage the process appropriately and give members priority.

Operations:

Centers Operations

Delivery of the upgraded cardio equipment is expected in mid-November which is approximately a 30-day delay. Installation at Bell Center is now projected for early December.

RCSC Management Report – September 29, 2022

Installation of additional security components have been completed at Grand Center that will allow the added security of token access into building 1. The building will soon be secured on Saturdays and Sundays requiring tokens to access the building. Tokens have been assigned to current club members and given to the clubs for issuance to club members.

Configuration of the new gate locks for Duffeeland is still in progress with lock installations to be done when configuration is complete. Cut over to the new locks is projected towards the end of October.

Events and Entertainment:

The full 2023 events series, along with the winter concert series, have been released and are available on the Sun City website www.suncityaz.org. Season Ticket packets will go sale Monday, October 17, 2022. We are diligently working on getting ticket sales on-line for this concert season. The process for purchasing tickets on-line will be released as soon as it is available. Season Ticket packets will be available until Sunday, November 13, 2022, and individual show tickets will go on sale Monday, November 14, 2022, at 8:00 a.m. There will no longer be a matinee performance. All Ticketed shows will now have a door time of 5:00 pm and showtime at 6:00 p.m.

Due to the drainage of Viewpoint Lake for relining, the 2022 Holiday Celebration/Duck Race will be held at Sundial Recreation Center beginning at 3pm on Friday December 9. We will have all the fun festivities including Mini Ho-Ho-Hole in One; Reindeer Pie Yahtzee; Tic-Tac Mistletoe; the Money Tree; photos with Santa; Christmas movies and music; coffee, cocoa, hot apple cider and cupcakes and last, but not least, three food trucks - burgers, Mexican food and ice cream. Note that the Duck Race will still take place and will be simulcast on screens located in the Sundial Auditorium. In lieu of the boat parade, a golf cart parade will take place. RCSC Members are encouraged to deck out your golf carts and sign up to enter the parade at the Events and Entertainment Offices located at Sundial just inside the west hall. Golf cart registration will begin Monday November 21 at 8am. through Thursday, December 8 at 4pm.

The Sun Bowl fall shows kick off Sunday, September 25 at 7 p.m. The October shows are Heartbeat (10/2), Cosmic Shindigs (10/9), Nashville Gold (10/16), Rhythm Edition (10/23), and The 8-Tracks (10/30) at 6:30 p.m. We are excited to announce that an additional show has been added to the Sun Bowl line-up. On November 13 at 3 p.m., RCSC welcomes to the stage USAF Airmen of Note. We look forward to seeing you at the Sun Bowl!