

RCSC Management Report – November 17, 2022

Finance:

Financial Report

The Recreation Centers of Sun City, Inc. (RCSC) ended October 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 (\$36k) unfavorable year to date due primarily to building and equipment repairs at the cafes over budget by (\$26.6k). General & Administrative is (\$116.1k) unfavorable to budget due to spending on the unbudgeted IT Upgrade project. Operating Income for October totaled \$1,790k and was \$128.3k (7%) favorable to budget due primarily to Prepaid and Public Greens Fees being \$25.4k and \$36.7k favorable, respectively. Operating expenses for the month were \$1,657.4k and (\$104.3k) unfavorable to budget due primarily to price increases for Seed purchased for overseeding, and spending on the unbudgeted IT Upgrade project. Year to date Net Operating Excess excluding projects is \$1,353k (32.3%) favorable to budget.

Cardholder Services Report

Payments on past due assessments in October were 11.1% of past due balances. Overall accounts receivable decreased in October by 4.3% and is up 9.0% from the beginning of the year. Overall accounts receivable past due balances have increased in October by 1.6%. September assessments went 30 days past due at a rate of 5.7% and August assessments went 60 days past due at a rate of 2.2%.

Payments from our third-party collections firm totaled \$7,143 in October. Year to date payments through our third-party collections firm total \$328,117. Payments made in October through the online RCSC Web Portal totaled \$163,085 from 351 property owners. Year to date web portal payments total \$1,717,998 from 3,700 property owners.

In October, property transfer balances decreased by 1.1%. Outstanding balances related to property transfers represent 60% of all receivables and 60% of past due balances. October trustee sale notices on Sun City AZ properties remained at 32, and properties owned by lending institutions remained at 1.

Information Technology Report

In October, the Information Technology team received 112 new service requests, and closed 104 requests by month end. Year to date, IT has received 1,247 service requests, of which 53 remain open. On average, IT is continuing to close service requests in less than one day in 2022.

As noted in last month's report, IT and Buildings & Infrastructure have begun building out a new server room in the Lakeview facility due to a lack of sufficient power and a damaged fiber connection in the current server room. IT has contracted with Cox to deliver the intranet services directly to the Lakeview building, and with DataLink to install conduit within Lakeview to connect the various departments within Lakeview to the new servers. The space where the server room will be located has been cleared out, and work will begin shortly on electrical and fire suppression upgrades. The server room buildout will delay the IT upgrade project by several months but will provide RCSC with a more dependable server room with space for future expansion.

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Human Resources Report

Human Resources began the month of October with 10 open requisitions and added 27 new requisitions during the month. Human Resources filled 27 requisitions and ended October with 10 open positions. Year to date, HR has opened 244 positions and filled 239 openings. The time-to fill requisition KPI in October was 11.7 days due to filling a position that was open for 133 days. HR continued to prepare for the Open Enrollment meetings scheduled for early November, during which employees will be given the opportunity to make changes to their benefits elections including medical, dental, and life insurance elections.

Building & Infrastructure:

Projects:

In Work

Lakes East/West Maintenance Yard (PIF)

- Budget: \$4.0M Total Cost to date: \$3.0M (thru September 2022)
- Certificate of Occupancy issued by Maricopa County on 10/25/22
- Move in activities are underway
- Grand Opening scheduled for 12/12/22 at 12:30 pm

• **Status: Green**

Mountain View Rec Center Phases 1 and 2 (PIF)

- Budget: \$27.3M Total Cost to date: \$81K (thru September 2022)
- Schematic design is in-progress.
- RCSC/Sun City Players /Architect design meeting with Schuler Shook, theater design specialists held on 10/19/22
- Contractor interviews held 10/24/22
- Contractor award 11/04/22

• **Status: Green**

Sun Bowl Softball Field Improvements (PIF)

- Budget: \$1.0M Total Cost to date: \$11K (thru September 2022)
- Revised drawing set for the clubhouse rebuild under review with Operations and Softball club pending release of civil preliminary set.
- 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 October 2022)
- Contract signed 06/07/22. Production delay at the manufacturer moves the Installation/Completion forecast from January 2023 to February 2023. Contractor: W.D. Manor Mechanical Contractors.

• **Status: Green.**

Viewpoint Lake Repair (PIF)

- Budget: \$8.0M Total Cost to date: \$626K (thru September 2022)
- Lake Draining process began 07/05/22, water level down 7.05 feet (as of 11/01/22)
- Drainage progression slowed due to excessive rain potentially delaying excavation
- Building Permit issued by Maricopa County Planning and Development Department on 08/31/22
- Construction to commence in November

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- Homeowner Information Session #5 was held 10/27/22.
- **Status: Yellow.**

Recently Completed

Quail Run Golf Course

- Repaired asphalt cracks; applied new sealer and re-striped the parking lot. Project completed 10/14/22 at a cost of \$7,523. Vendor: Sunland Asphalt

Sundial Rec Center

- Resurfaced (20) Spas with Coartz Plaster; tiled and waterproofed nearby columns. Project was completed 10/25/22 at a cost of \$28,887. Vendor: Commercial Pool Repair
- Replaced (2) Spa pumps. Project was completed 10/03/22 at a cost of \$6,253. Vendor: Leslie's Pool & Spa
- Updated lighting, sink and counter, added entry desk for the Handweaver's Club. Project was completed 10/18/22 at a cost of \$11,996. Vendors: Accel Electric & B&I Trades

Skilled Trades (Repair and Maintenance)

- Completed 383 work orders in October 2022

Solar:

New Issues: None

Issues Resolved:

WB/WC Maintenance – Data Loggers not communicating.

- Kortman has fixed this issue with Also Energy.

Open Issues:

Oakmont inverter Structure Number 1.

- Estimates for repair are being sought

WB/WC Maintenance Structure number 8.

- Estimates for repair are being sought.

WB/WC Maintenance inverter number 3 and 9

- Power One is awaiting parts to repair inverters. They do not have an expected delivery date for the parts to come in from Italy, they have been awaiting parts for most of the year.

Lakeview Rec Center inverter number 9

- Power One is awaiting parts to repair inverters. They do not have an expected delivery date for the parts to come in from Italy, they have been awaiting parts for most of the year.

LV Lanes – SMA Inverters

- SMA. Kortman is working with Also Energy and AMA to get the inverters talking.

Bell Lanes Café – Inverter #05

- Power One is awaiting parts to repair inverters. They do not have an expected delivery date for the parts to come in from Italy, they have been awaiting parts for most of the year.

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Production Data:

After including August's production data, the lifetime to date production versus expected went up slightly to 3.19%. The percentage of inverters producing above expected stayed the same at 73%.

Preventive Maintenance:

Kortman is working on repairing the issues they found when doing the annual maintenance.

Golf & Grounds:

Pro Shops

Total rounds for October were 23,473. The total was 1,905 fewer than prior year but still represents the fourth highest recorded total for October since 2006. For the year we have played 291,469 rounds, which represents our highest 7-month total in 16 years. Among the regulation courses Riverview has played the most rounds (46,301), Lakes West has the second highest total (45,933), followed by Willowcreek, North and South. For the executive courses, Lakes East has played the most rounds (28,157), followed by Willowbrook and Quail Run.

Of the 291,469 rounds played this year, 154,186 have been played by Annual No Fee (Resident) and Annual Surcharge passholders. Remaining rounds have been played by Cardholder Daily (50,447), Cardholder Guest (30,159), RCSC Staff (8,003), Non-Resident passholder (11,838) and Public (36,836).

On December 2nd 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.

In addition to our charity event, RCSC Pro Shops are also selling Duck Bucks to raise funds for the Sun City Foundation. The purchase of a Duck Buck enters you in the Duck Race held on December 9 as part of the Holiday Celebration event held at the Sundial Center. This year the duck race will take place at Riverview Golf Course and will be broadcast at the Sundial center.

Snack Shops

Snack shops are now closing at 5:00 p.m. on a consistent basis and will continue to do so until business begins slowing in April. On November 1 we increased snack shop pricing across the menu. This decision was made due to the rising costs of the products we sell.

Golf Courses

Riverview, South, Willowcreek had cart path restrictions removed on November 4. Lakes West was scheduled to reopen November 4, however the closure was lengthened to provide more time to withdraw water from Viewpoint Lake. We respectfully remind golfers to please observe the 90 degree rule when traveling from the cart path to your ball. As we continue with the 5 cart policy the 90 degree rule will be key to minimizing potential damage, especially for the non-overseeded courses (Willowbrook and Lakes West).

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

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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.

As play increases, so does the stress on our courses. We remind all golfers that we all have a responsibility to keep our courses in good condition. Golfers can assist by filling their divots, raking sand traps, replacing rakes in bunkers parallel to play and repairing ball marks. During times of cart path restrictions, please remember to take your sand bottle to the fairway. We do ask that you continue to fill divots at Willowbrook and Lakes West, even if your divot bottle contains seed. The seed is unlikely to germinate as the fairways will not be receiving the adequate amount of water.

During driving range practice, we ask that you be mindful of your divot pattern. Please do not scatter your divots, this manner of practice disturbs a large area of practice turf with relatively few shots. The preferred method of taking divots is to create lines. This is accomplished by placing your ball at the starting point of your previous divot. This method utilizes far less turf than other options, is easier for staff to maintain and provides less disturbed area for golfers that practice after you.

Lawn Bowl and Grounds

Lawn Bowl green speeds range from 13.0 seconds on Lakeview West to 15.0 seconds on Bell South. Moisture readings range from 9.5 at Mountain View to 11.2 at Oakmont. The National Championships for lawn bowling were held at the Bell Lawn Bowls Club November 2 to November 5. The best bowlers in the USA put on a display of shot making on the finest greens in North America. The winners were **Women's Pairs** (Sandy Wall and Martha Nilson, from Florida), **Women's Singles** (Ann Nunes from California), **Men's Pairs** (Ian Ho & David Shaw from the Southwest) and **Men's Singles** (Charlie Herbert from California).

The grounds team is busy completing its move into the new building at Lakes West Golf Course. During the move the team preparing for the "falling of the leaves" and the cleanup that comes after.

Bowling:

Bowling is as popular as ever at Lakeview and Bell Lanes. In October, there were 30,995 games bowled at both bowling centers. Open Bowling continues to be as strong as ever. There were 7,813 open bowling games bowled which is the most ever in the month of October since we began keeping track in 2001.

Bowl with the Director continued in November and will continue the first Thursday of every month from 10:30 am until 12:00 pm at Lakeview Lanes. The November event had 20 people that attended. 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 December 1, 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

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aligns with the popular app game and is a fast paced, 5-frame bowling game filled with excitement.

The Bowling team is putting together a winter tournament bowling schedule beginning in January. Once per month, a tournament will be hosted at each bowling center. Saturday afternoon will have an event at Lakeview and Sunday afternoon an event at Bell. Look for details coming in December.

There have been twelve 300 games and six 800 series bowled this league bowling season.

Operations:

Grand Center

- Implemented weekend safety measures requiring access tokens to enter Building 1 with issuance of access tokens to club members.

Safety and Corporate Policy Compliance Training

- To date completed training with all Facility Attendants and Golf Operations.

Lakeview Fitness Equipment Replacement

- Design and layout of replacement to strength equipment at Lakeview Center completed with equipment to be ordered in November. Delivery would be estimated in the first quarter of 2023.

Events and Entertainment:

Season tickets went on sale Monday, October 17, at 8:00am. Tickets were sold through our new ticketing system Sellout. I am very happy to announce that 346 Season Ticket Packets were sold on the first day. As of Monday, November 6 there are 393 Season Ticket packets sold and we will continue to sell Season Packets through Sunday, November 13. On Monday, November 14, at 8:00am Individual Show tickets will be available for purchase up to the day of the performance(s). Individual show tickets will be available on the Sun City website www.suncityaz.org, in-person at the Events and Entertainment Office at Sundial, or by phone by calling 623-561-4680.

Tickets already purchased will be available for pick up in the Events and Entertainment office at Sundial beginning Wednesday, November 30, at 8:00am.

Due to the draining of Lakeview Lake for repairs and maintenance please mark your calendars that this year the Holiday Celebration/Duck Race, which will be held at Sundial Recreation Center beginning at 3:00pm 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. 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 8:00am. through Thursday, December 8 at 4:00pm.

We proudly closed out the Sun Bowl season on Sunday, November 6 with our annual tribute to our veterans with a special veteran's performance presented by the Sun City Concert band along with the Sun City Women's Chorus. It was a full house. Thank you for showing your appreciation to our Veterans!