

RCSC Management Report – December 15, 2022

Finance:

Financial Report

The Recreation Centers of Sun City, Inc. (RCSC) ended November 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 (\$23k) unfavorable year to date due primarily to building and equipment repairs at the cafes over budget by (\$27.3k). General & Administrative is (\$121k) unfavorable to budget due to spending on the unbudgeted IT Upgrade project. Operating Income for November totaled \$2,068k and was \$227k (11%) favorable to budget due primarily to Guest and Public Greens Fees being \$31.6k and \$42.4k favorable, respectively. Operating expenses for the month were \$1,524k and (\$155k) unfavorable to budget due primarily to Chemicals to paint fairways that were not overseeded (\$37.4), and Equipment (\$83k) which will be reclassified to Capital Projects in December. Year to date Net Operating Excess excluding projects is \$1,838k (39.1%) favorable to budget.

Cardholder Services Report

Payments on past due assessments in November were 10.2% of past due balances. Overall accounts receivable decreased in November by 1.0% and is up 7.8% from the beginning of the year. Overall accounts receivable past due balances have decreased in November by 0.7%. October assessments went 30 days past due at a rate of 5.2% and September assessments went 60 days past due at a rate of 2.2%.

Payments from our third-party collections firm totaled \$6,179 in November. Year to date payments through our third-party collections firm total \$334,296. Payments made in November through the online RCSC Web Portal totaled \$149,486 from 321 property owners. Year to date web portal payments total \$1,867,484 from 4,021 property owners.

In November, property transfer balances decreased by 3.6%. Outstanding balances related to property transfers represent 58% of all receivables and 60% of past due balances. November trustee sale notices on Sun City AZ properties remained at 32, and properties owned by lending institutions remained at 1.

Information Technology Report

In November, the Information Technology team received 97 new service requests, and closed 78 requests by month end. Year to date, IT has received 1,344 service requests, of which 72 remain open. On average, IT is continuing to close service requests in less than one day in 2022.

This month, IT continued to work on the new server room, working with Building & Infrastructure and the architect on the server room layout including an appropriate fire suppression system. IT is waiting on Cox to deliver intranet services directly to the Lakeview building, and directly to Lakeview Lanes for the bowling alley. IT continues to await the delivery of new wifi access points ("AP's"). While waiting for delivery of the new APs, IT is having to replace failing APs with wifi devices that use older wifi technology and work on the current networking equipment.

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Human Resources Report

Human Resources began the month of November with 10 open requisitions and added 19 new requisitions during the month. Human Resources filled 22 requisitions and ended November with 7 open positions. Year to date, HR has opened 263 positions and filled 261 openings. The time-to fill requisition KPI in November was 10.0 days. The HR Manager resigned in November, with a replacement starting December 12.

Building & Infrastructure:

Projects:

In Work

Lakes East/West Maintenance Yard (PIF)

- Budget: \$4.0M Total Cost to date: \$3.4M (thru October 2022)
- Grand Opening event scheduled for 12/12/22 at 12:30 pm
- Landscaping – B&I to set a meeting with Golf Operations to determine scope, preliminary pricing, schedule.
- Status: Green

Mountain View Rec Center Phases 1 and 2 (PIF)

- Budget: \$27.3M Total Cost to date: \$139K (thru October 2022)
- Schematic design is in-progress.
- Contractor award 11/04/22
- Contract with GC estimated execution December 2022
- Status: Green

Sun Bowl Softball Field Improvements (PIF)

- Budget: \$1.0M Total Cost to date: \$11K (thru October 2022)
- Revised drawing set for the clubhouse reviewed by Operations and Softball club with comments sent back to the architects at CCBG for incorporation
- 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 November 2022)
- Existing non-working Pool Pak #3 removed from roof on 11/29, clearing way for the new unit.
- 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: \$673K (thru October 2022)
- Construction began in December. Truck entrance at 105th Ave established. Work on removal of designated palm trees is underway.
- Homeowner Information Session #6 scheduled for 12/15/22 at 1:00 pm at the Sundial Auditorium
- Status: Green.

Skilled Trades (Repair and Maintenance)

- Completed 333 work orders in November 2022. Average time to close: 10.5 days

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Solar:

New Issues: None

Issues Resolved:

LV Lanes – SMA Inverters

- Kortman worked with Also Energy and AMA and fixed this issue.

Open Issues:

Oakmont Inverter Structure #1 (damaged by vehicle)

- Estimates have been received working with insurance.

WB/WC Maintenance Structure #8 (damaged by tractor)

- Estimates have been received; working with Gort Metals and Kortman for repair.

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 #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.

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.

Production Data:

- After including November production data, the lifetime to date production versus expected went up slightly to 3.23%. The percentage of inverters producing above expected stayed the same at 73%.

Golf & Grounds:

Pro Shops

Total rounds for November were 31,138 which was 1,517 fewer than prior year but still represents the sixth highest recorded total for November since 2006 and was impacted with the extended closure of Lakes West. For the year we have played 322,605 rounds, which represents our highest 11-month total in 16 years. Among the regulation courses Riverview has played the most rounds (52,174), Willowcreek has the second highest total (50,727), followed by Lakes West, South and North. For the executive courses, Lakes East has played the most rounds (33,068), followed by Willowbrook and Quail Run.

Of the 322,605 rounds played this year, 171,870 have been played by Annual No Fee (Resident) and Annual Surcharge passholders. Remaining rounds have been played by Cardholder Daily (55,670), Cardholder Guest (33,157), RCSC Staff (8,697), Non-Resident passholder (13,241) and Public (39,970).

On December 2 the Beat the Pro Event, benefitting the Sun City Foundation, was held on the South Golf Course. The event was not as well attended as previous years, however the 36 players in attendance still managed to raise \$910 for the Sun City Foundation. The pros put forth a better

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effort than previous years, only allowing 29% of the field to “Beat the Pros”. We would like to thank those that volunteered to make the event a success. Among the volunteers was John Dockham who served as a witness for a hole-in-one on hole number 11. Thanks also to Larry Belt for working the registration table. A big thank you to Chris Linam for securing the many prizes for our post tournament raffle. Most of all thank you to all of those that chose to participate in the event.

We are still losing our plastic range baskets at all golf courses so please help by letting anyone you know who might have one to please get them back to the golf courses. We understand that all practice balls may be hit in one visit and we do allow balls to be taken with you, however we ask the plastic baskets remain at the golf courses. We do sell mesh bags at the golf courses for those that wish to take unhit balls from course to course.

Snack Shops

Snack Shops are scheduled to close at 5 PM but are given the discretion to remain open longer for special events or exceptionally heavy play.

Golf Courses

Lakes West reopened on December 2, one day earlier than the last announced reopening date. We understand the frustration this extended closure has caused and we appreciate the patience and understanding we have received, especially those that had normal Tuesday and Wednesday play interrupted. The good news is we are able to remove the planned amount of water from Viewpoint lake. During the extended closure we removed over 33,000,000 gallons of water.

Overall we had our second straight year of good overseeding weather, leading to a successful overseeding. The grow-in for the second wave of courses was slightly slower than the first wave due to a drop in temperatures. However, the slower grow-in only resulted in a slower return to normal cutting heights. As a continued reminder the fairways on Lakes West and Willowbrook were not overseeded, placing added importance of following the 90 degree rule when leaving the cart path.

Grounds

The pace of the greens ranges from a low of 13.5 seconds on Lake View East to a high of 15.0 seconds on Bell North. Moisture readings range from a low of 9.8 on Bell North to a high of 12.0 on Lake View East. Greens are mowed once per week, mostly to clear debris and are rolled three times per week. Watering has been reduced to an as needed basis. We are in process of replacing broken back boards at Oakmont

Maintenance around the centers is focused on keeping plantings trimmed and looking sharp. The deciduous trees around the centers have finally begun to lose their leaves, creating a constant need for cleanup. The grounds crew is in process of moving into the new building on Lakes West

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Bowling:

In November, there were 29,772 games bowled at both bowling centers. Open Bowling continues to be as strong as ever. There were 8,001 open bowling games bowled, which is the most ever in the month of November since we began keeping track in 2001.

The Bowling team has a plan in place for the winter tournament season. January 21 and February 18, Lakeview Lanes will host No-Tap Singles tournaments with a 1 pm start. Bell will host a January 29 Scotch Doubles event with a 1 pm start. The current plan is to begin promoting these events in December and then start taking sign-ups after the first of the year.

Bell Lanes is planning to roll over the popular Wednesday No-Tap league in January. The current league bowlers will get the first choice to bowl again. Any openings in the league will be filled using the current waiting list. RCSC members are being given priority. Due to the overwhelming demand, we are looking at possibly adding a Noon No-Tap league that same day.

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 December event had 23 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 into 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 January 5, 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.

There have been fifteen 300 games and seven 800 series bowled at both centers so far in this league bowling season.

New bowling pricing goes into effect on January 1. Members will pay \$2.70 per game and guests will pay \$3.15 per game. League pricing does not change mid-season. Any new leagues beginning after January 1 will be charged the new pricing.

Operations:

Centers Operations

November marked the first full month of access control into the Duffeeland Dog Park. A total of 700 access tokens have been provided to Cardholders to access the park. During November, 325 Cardholders accounted for 3,453 visits to the park.

The custodial team at Sundial Center provided all the work to setup and provide support for the Fall Arts & Craft Festival. These efforts helped make this event run smoothly and successful for the clubs and the festival committee.

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Events and Entertainment:

On November 6, we hosted our annual day tribute to our Veterans. The event was moved to Sundial Auditorium to better accommodate the size of the Sun City Concert band and the Sun City Women's chorus. This event was standing room only! The sounds of the band and the harmonies of the vocals were phenomenal. Those in attendance were recognized and honored for the sacrifices they and their families made for our Nation. Thank you all for your Service!

The annual Arts & Crafts Festival was held on November 25 and 26. There were plenty of beautifully crafted items from each of the many clubs in Sun City. The raffle prizes were incredible providing attendees of the festival the opportunity to participate. Congratulations to the RCSC Clubs for such a successful event!

Finally, to close out the year, RCSC will again host the annual Christmas Spectacular "A Buble' Christmas" featuring Scott Keo as Michael Buble'. This is a free event for RCSC Members and their escorted guests. There will be complimentary Hot Cocoa and Hot Apple Cider available for your enjoyment. Be sure to have your Photo RCSC Membership Card to gain admittance.