

RCSC Management Report – January 26, 2023

Finance:

Financial Report

The Recreation Centers of Sun City, Inc. (RCSC) ended December 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 (\$22.1k) unfavorable year to date due primarily to building and equipment repairs at the cafes over budget by (\$31.8k). General & Administrative is (\$154.5k) unfavorable to budget due to spending on the unbudgeted IT Upgrade project. Operating Income for December totaled \$2,099k and was \$246k (11.7%) favorable to budget due primarily to Prepaid and Public Greens Fees being \$27.3k and \$57.6k favorable, respectively. Operating expenses for the month were \$2,001k and (\$161.5k) unfavorable to budget due primarily to increased Gas expenses, price increases for Fertilizer, and spending on the unbudgeted IT Upgrade project. Year to date Net Operating Excess excluding projects is \$1,960k (40.8%) favorable to budget.

Cardholder Services Report

Payments on past due assessments in December were 10.0% of past due balances. Overall accounts receivable increased in December by 0.1% and is up 8.0% from the beginning of the year. Overall accounts receivable past due balances have increased in December by 1.1%. November assessments went 30 days past due at a rate of 5.4% and October assessments went 60 days past due at a rate of 3.2%.

Payments from our third-party collections firm totaled \$17,405 in December. Year to date payments through our third-party collections firm total \$351,695. Payments made in December through the online RCSC Web Portal totaled \$144,934 from 308 property owners. Year to date web portal payments total \$2,012,418 from 4,329 property owners.

In December, property transfer balances decreased by (4.9%). Outstanding balances related to property transfers represent 55% of all receivables and 59% of past due balances. December trustee sale notices on Sun City AZ properties increased by 1 to end at 33, and properties owned by lending institutions remained at 1.

Information Technology Report

In December, the Information Technology team received 74 new service requests, and closed 70 requests by month end. Year to date, IT has received 1,418 service requests, of which 76 remain open. On average, IT closed service requests in less than one day in 2022.

This month, IT worked with Datalink and Cox to prepare for the new server room at Lakeview. Cox will deliver a dedicated connection to Lakeview Lanes around the middle of January and is scheduling the new direct connection to the Lakeview server room in late January. IT is installing new data connections for the Camera and Quilting clubs at Grand, and will also be working at Sundial to add additional Wifi connections there for two clubs.

Human Resources Report

Human Resources began the month of December with 7 open requisitions and added 17 new requisitions during the month. Human Resources filled 15 requisitions and ended December with 9 open positions. Year to date, HR has opened 280 positions and filled 276

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openings. The time-to fill requisition KPI in December was 10.5 days due to filling two position that were open for over 40 days. HR processed all necessary year end payroll and benefits adjustments, including medical insurance enrollment changes, year-end salary adjustments, vacation policy modifications, and 401(k) match entries.

Building & Infrastructure:

Projects:

In Work

Lakes East/West Maintenance Yard (PIF)

- Budget: \$4.0M Total Cost to date: \$3.65M (thru December 2022)
- Landscaping – B&I had a meeting with Golf Operations to determine scope, preliminary pricing and schedule.
- Awaiting proposal from Landscape Architect & Landscaper quotes

• **Status: Green**

Mountain View Rec Center Phases 1 and 2 (PIF)

- Budget: \$27.3M Total Cost to date: \$195K (thru December 2022)
- Schematic design is in-progress.
- Contractor award 11/04/22; contract executed in December 2022
- Owner/Architect/Contractor Kick-off meeting to be scheduled in January 2023

• **Status: Green**

Sun Bowl Softball Field Improvements (PIF)

- Budget: \$1.0M Total Cost to date: \$19K (thru December 2022)
- Revised Drawing set received 11/29/22; Need meeting to discuss feedback to CCBG
- 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 December 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: \$1.7M (thru December 2022)
- Building Permit issued by Maricopa County Planning and Development Department on 08/31/22
- Construction began in December. Truck entrance at 105th Ave established. Excavation of lake floor is underway
- Homeowner Information Session #7 scheduled for early February.

• **Status: Green.**

Skilled Trades (Repair and Maintenance)

- Completed 337 work orders in December 2022. Average time to close: 13.2 days

2023 Project Planning

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- B&I is sending out numerous Requests for Quotations (RFQ's) to vendors for authorized 2023 Capital Projects. Including, but not limited to:
 - HVAC replacements
 - Roofing replacements
 - Parking Lot paving & striping
 - Pool & Spa pump replacements
- Seeking 3 quotes per project

Solar:

New Issues:

WB/WC Maintenance Inverter number.

- Inverter has an internal Ground Fault, Kortman will access.

Lakeview Lanes – Power Loggers not Communicating.

- Kortman is working on a solution.

Issues Resolved:

- N/A

Open Issues:

Oakmont Inverter Structure Number 1.

- Working with insurance for a settlement

WB/WC Maintenance Structure number 8.

- Purlins estimated time of arrival is the second week in February.

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 since March 2022.

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 since March 2022.

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 since March 2022.

Production Data:

- After including December's production data, the lifetime to date production versus expected went down slightly to 3.17%. The percentage of inverters producing above expected stayed the same at 73%.

Preventive Maintenance:

- Will schedule with Kortman for middle of the year.

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Golf & Grounds:

Pro Shops

For the year ending December 31, we played 353,257 rounds, of those 189,496 were played by Annual No Fee (Resident) and Annual Surcharge passholders. Remaining rounds were played by Cardholder Daily (60,333), Cardholder Guest (35,715), RCSC Staff (9,539), Non-Resident passholder (15,065) and Public (43,109).

On February 9th, Lakes East/Lakes West will be hosting the annual Teal Ribbon Tournament. The event is open to ladies and men and with no handicap required. It is a 9 hole event with a 9:30 shotgun start and lunch follows play at Sundial. Proceeds benefit the University of Arizona Cancer Center for Ovarian Cancer research. The entry fee is \$30.00 per person, and entry forms may be picked up and turned in to any pro shop.

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.

Golf Courses

The preliminary aerification/overseed schedule was presented to the Golf Advisory Committee this month. We will continue our practice of a single, more aggressive aerification. In addition to regular aerification events we will be solid tine aerifying more frequently. Solid tines do not impact the green surface to the extent of hollow tines and do not require course closures. Fairway verticutting begins in two-day blocks at the end of April. As the Lakes West and Willowbrook courses were not overseeded, the courses will not need to close for the verticutting event. Though it does not eliminate transition related issues, verticutting does open the grass canopy by thinning out the rye grass, allowing the bermuda base to recover from dormancy quicker. Representatives of Golf Advisory were asked to review the schedule with course committees, to resolve any conflicts ahead of time. The schedule as submitted is included with this report and will be presented again next month, after it is finalized. This year the North and Lakes East courses will forgo overseeding of fairways.

In addition to the normal agronomic events, the North course front 9 will close as part of fairway verticutting on April 17 and will remain closed through the overseeding process, reopening October 14. The front 9 will be closed on April 17 to begin prepping the fairways for Tif Tuf Turf installation in June. To prepare the fairways, the current common bermuda base will be chemically removed in three stages to provide the greatest chance of removal, these applications will be approximately 30 days apart. Once chemically removed there will be some mechanical preparation, and the Tif Tuf will be installed through a process called hydro-sprigging. Hydro-sprigging uses cut stolons and rhizomes in a slurry of fertilizer and binding agents and is applied using a large hose, similar to a fire hose. The remaining time of the closure will be used to allow the new Tif Tuf base to establish. The North course was chosen to not overseed to protect the newly established turf from the rigors of the overseed process.

Grounds

The pace of the greens ranges from a low of 12.5 seconds on Lake View East and Oakmont to a high of 13.5 seconds on Bell North. Moisture readings are driven higher by the January rains and range from a low of 13.0 on Bell North to a high of 16.0 on Oakmont. Greens are mowed once per week, mostly to clear debris and are rolled three times per week. The Billy Goat vacuum is

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also used once per week for debris removal. Greens will not require irrigation until moisture readings fall below 10.

Primary focus for the grounds team around Centers is trimming, weed control and debris pickup. The heavy rains have all but removed the remaining leaves from trees and has jump started weed growth.

2023 AERIFICATION/VERTICUTTING DATES Golf Course will be Closed

Fairway Verticutting

Mon	April 17, 18	North (Front Nine Closes through Overseeding)
Mon-Tue	April 24, 25	Quail
Thu-Fri	April 27, 28	South
Mon-Tue	May 1, 2	Lakes East
Thu-Fri	May 4, 5	Riverview
Mon-Tue	May 8, 9	Willowcreek

Fairways Aerification

Thu	May 15	North (Back 9)
Mon	May 18	Quail
Thu-Fri	May 22, 23	South
Mon-Tue	May 25, 26	Lakes East
Thu-Fri	June 1, 2	Lakes West
Mon-Tue	June 5, 6	Riverview
Thu-Fri	June 8, 9	Willowcreek
Mon-Tue	June 12, 13	Willowbrook

Greens Aerification

Thu, Fri	June 15, 16	North (Back 9)
Mon, Tue	June 19, 20	Quail
Wed, Thu, Fri	June 21-23	South
Wed, Thu, Fri	July 5-7	Lakes East
Mon, Tue, Wed	July 10-12	Lakes West
Mon, Tue, Wed	July 17-19	Riverview
Mon, Tue	July 24-26	Willowcreek
Mon, Tue, Wed	July 31-Aug 2	Willowbrook

2023 OVERSEED SCHEDULE
Golf Course will be Closed

<u>Course</u>	<u>Overseed</u>	<u>Opens</u>	<u>Off Cart Path</u>
Lakes West	Sept 25	Oct 14	Nov 3
Quail Run	Sept 25	Oct 14	Nov 3
Willowbrook	Sept 25	Oct 14	Nov 3
North	Sept 25	Oct 14	Limited Restrictions
Lakes East	Oct 16	Nov 4	Limited Restrictions
Riverview	Oct 16	Nov 4	Nov 24
Willowcreek	Oct 16	Nov 4	Nov 24
South	Oct 16	Nov 4	Nov 24

As of 1-17-2023

- * North and Lakes East non overseeded fairways, cart restrictions limited only to around tees and green complexes
- * If temperatures are too high for Sept 25 start first wave will be pushed back one week, resulting in one week overlap of course closures

Bowling:

In December, there were 30,235 games bowled at both bowling centers. Open Bowling continues to be as strong as ever. There were 7,954 open bowling games bowled, the most ever in the month of December since we began keeping track by month in 2001. For the year, the most games have been bowled since 2009. Bell Lanes had the most games bowled since 2004. Lakeview Lanes had the most games bowled since 2011. Open Bowling had the most games bowled since 1998. Bell Lanes had the most open bowling games since 1994 and Lakeview Lanes had the most since 2005.

Upcoming Tournaments in February are the Metro Phoenix USBC Senior Masters and Queens On the 4th at Lakeview Lanes. The Arizona Bowlerettes is on the 11th at Lakeview Lanes. The House Run No Tap Scotch Doubles is the 26th at Bell Lanes.

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 January event had 27 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 February 2, 2023.

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.

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There have been twenty-one 300 games and ten 800 series bowled at both centers so far in this league bowling season.

Operations:

Centers Operations

December usage at Duffeeland Dog Park increased over November. During December, 376 Cardholders (an increase of 16%) accounted for 4,805 visits to the park. Park visits increased 39% over November.

Based upon Cardholder requests, a 7-foot Diamond pool table was placed in the billiards center at Lakeview Lanes. To make room for this table a snooker table was removed. The 7-foot table provides a smaller playing environment for those who find playing on a larger 9-foot table difficult. This new table will make playing pool accessible for these Cardholders. A similar 7-foot table is planned for Bell Center in 2023.

At the end of 2022, Property Committee work orders related to maintenance issues at RCSC centers were down 46.7% from 2021. This reduction in items identified by the Properties Committee is a direct reflection upon the custodial and Building and Infrastructure staff at each center related to their maintenance, upkeep and identification of items for repair. This proactive stance by staff helps to keep the centers in great condition.

Safety and Corporate Policy training began in the 4th quarter for all RCSC staff. This training included incident reporting, communicating with MCSO, and the most frequently occurring corporate policies. Over 60% of staff were trained by the end of the year with the remaining staff scheduled for this training in January 2023.

Chartered Clubs

The end of year report for 2022 Chartered Club attendance is provided with this management report. Club compliance with the attendance reporting requirement has improved during 2022 with 94% of clubs reporting attendance in December.

Two club decharter requests have been included for the Consent Calendar for the January meeting. The decharter of the Choraliers Club is the formal closing of this club while the activities of this club will be continuing under the Players Club as the Players Club has agreed to bring those activities into its club. Two additional clubs for dechartering were not finalized in December though are expected in early 2023.

Events and Entertainment:

The 2022 Holiday Celebration was held at the Sundial Recreation Center. The ducks raced down the creek at Riverview golf course and it was broadcast live on the video screens in the auditorium. The prizes were exceptional, and the final amount raised to donate to the Sun City Foundation was \$5,730. The Duck race ran two races and each 1st place winner received \$481, 2nd place was \$289 and 3rd place was \$193. The grand prize for Yahtzee game was \$248, Tic-Tac-Toe was \$228, Hole in One was \$138, and one lucky winner took home a Christmas Tree filled with \$370 cash. The fun didn't stop there as over 70 beautifully holiday- decorated golf carts pulled away from the Sundial Mall, parading not only around Sundial and the neighboring streets, but also promenading their carts through other neighborhoods in the community; an extra route organized by an interested party who took it upon themselves to add to the festivities. Thank you, Sun City, for participating and donating to this worthy cause, The Sun City Foundation.

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The annual Christmas Spectacular "A Bubl  Christmas" featuring Scott Keo as Michael Bubl  was presented to a full house as guests enjoyed complimentary Hot Cocoa and Hot Apple Cider. A non-perishable food donation box was placed in the lobby, and we collected over 1100 lbs. of food to benefit the Banner Olive Branch food pantry. Again, thank you Sun City! What a fantastic way to end the year with RCSC!

The Winter ticketed concert series kicked off on Wednesday, January 4th with "Ray Charles and Friends", featuring Pete Peterkin, an act direct from Las Vegas! The rave reviews are still coming in. The performance was so much more than expected. A good time was had by all. The Winter ticketed concert series will continue through the last Wednesday in March. Tickets are still available for these upcoming shows.

Confirmations from all over our community have been received and setup charts have been completed for Wednesday, January 18, when RCSC is proud to once again present "Discover Sun City" with sessions from 9am to 11am and again from 6pm to 8pm. Discover Sun City showcases all that Sun City has to offer through clubs, groups, and organizations throughout the Sun City AZ community.