

RCSC Management Report – March 30, 2023

Finance:

Financial Report

The Recreation Centers of Sun City, Inc. (RCSC) ended February within its operating and capital budget year to date. All Divisions except Food & Beverage have met or exceeded their net operating budget projections year to date. Food & Beverage is (\$17.2k) unfavorable year to date due to food and liquor sales being negatively impacted by weather. Operating Income for February totaled \$2,492k and was (\$116.1k) unfavorable to budget due primarily to Assessments being below budget by (\$101.4k). Assessment income was under budget because the January and February assessment invoices were issued for \$496 due to delays in approving the 2023 Budget. Operating expenses for the month were \$1,527k and \$323.9k favorable to budget due to Wages & Benefits being favorable to budget by \$130.6k due to attrition, Building Projects being favorable by \$59.4k due to the timing of project completion, and Equipment being \$59.7k favorable due to the timing of fitness equipment purchases. Year to date Net Operating Excess was \$499k (30.6%) favorable to budget.

Cardholder Services Report

Payments on past due assessments in February were 11.5% of past due balances. Overall accounts receivable decreased in February by (0.1%) and is down (0.6%) from the end of 2022. Overall accounts receivable past due balances have decreased in February by (0.1%). January assessments went 30 days past due at a rate of 4.7% and December assessments went 60 days past due at a rate of 1.2%.

Payments from third-party collections firms totaled \$5,992 in February, and total \$12,615 year to date. Payments made in February through the online RCSC Web Portal totaled \$197,939 from 405 property owners. Year to date online portal payments total \$382,178 from 794 property owners.

In February, property transfer balances decreased by (3.3%). Outstanding balances related to property transfers represent 57% of all receivables and 59% of past due balances. February trustee sale notices on Sun City AZ properties remained flat at 38, and properties owned by lending institutions remained at 1.

Information Technology Report

In February, the Information Technology team received 87 new service requests, and closed 81 requests by month end, leaving 13 remaining open. On average, IT closed service requests in less than one day in February. Year to date, IT has opened 192 tickets, and closed 179 tickets.

This month, IT continued to work on the new server room. Cox has completed running the new connection to the server room, and new cabling has been run from the server room to the Corporate, HR, Accounting, and Cardholder Services spaces at Lakeview. The server room should be complete and ready for installation of the new server and networking equipment by the end of March. IT also completed installation of wifi equipment for the quilters space at Grand.

Human Resources Report

Human Resources added 19 new requisitions during the month of February and filled 24 requisitions, ending the month with 1 open position. Year to date, HR has opened 29

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requisitions, and filled 35 open positions. The time-to fill requisition KPI in February was 11 days due to filling one Greensworker position that was open for 64 days.

HR created two new budgeted positions this month: an Assistant Area Custodian Supervisor, and a Bowling Tournament / League Manager. Both positions were filled in February. HR completed ordering the new RCSC staff shirts and began evaluating services that will allow RCSC to benchmark salaries against other West Valley employers.

Building & Infrastructure:

Projects:

In Work

Lakes East/West Maintenance Yard (PIF)

- Budget: \$4.0M Total Cost to date: \$3.68M (thru February 2023)
- Landscaping – SiteWorks LLC to commence landscaping project by the end of March. Duration of the project is approximately 3 weeks.
- **Status: Green**

Mountain View Rec Center Phases 1 and 2 (PIF)

- Budget: \$27.3M Total Cost to date: \$245K (thru February 2023)
- Schematic design is complete as of 03/07/23
- Owner/Architect/Contractor Meeting #2 held 03/16/23
- **Status: Green**

Sun Bowl Softball Field Improvements (PIF)

- Budget: \$1.0M Total Cost to date: \$28.5K (thru February 2023)
- Reviewed progress drawing set again with Sun City Softball Club and RCSC Operations on 03/15/23. Some more modifications were made to the plan which need to be communicated to CCBG for incorporation.
- Proposals being evaluated 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 February 2023)
- Installation by crane of DHU-3 was completed on 02/28/23. Unit is going thru startup procedures and final buyoff with Sun City Fire Department. Contractor: W.D. Manor Mechanical Contractors.
- **Status: Green.**

Viewpoint Lake Repair (PIF)

- Budget: \$8.0M Total Cost to date: \$2.4M (thru February 2023)
- 1,396 Truckloads of soil have been removed from the lake as of 03/17/23
- Project to complete before the end of September 2023
- **Status: Green**

Recently Completed

Lakeview Lanes (George's Café)

- Replaced 48" sandwich prep table (end of life). Project was complete 03/15/23 at a cost of \$3,811. Vendor: Southwest Restaurant Supply

Marinette Rec Center

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- Installed 14 new high-bay LED light fixtures at the fitness center. Project was complete on 02/22/23 at a cost of \$12,167. Vendor: Kortman Electric

South Golf Maintenance

- Repainted interior restroom, offices, and breakroom. Project was complete 02/21/23 at a cost of \$3,950. Vendor: Exquisite Painting

Skilled Trades (Repair and Maintenance)

- Completed 329 work orders in February 2023. Average time to close: 9 days

2023 Project Planning

- 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. Quotes are being assessed and bids awarded in March and April

Solar:

New Issues:

N/A

Issues Resolved:

N/A

Open Issues:

Oakmont Inverter Structure Number 1.

- Panels have been removed for spares and purlins are being removed.

WB/WC Maintenance Structure Number 8.

- Purlins have been replaced; Kortman will install the panels Week of 3/20/23.

WB/WC Maintenance Inverter Number 3, 7, and 9.

- Power one is awaiting parts to repair inverters. The supplier went out of business; they are looking for another parts provider.

Lakeview Rec Center Inverter Number 9.

- Power one is awaiting parts to repair inverters. The supplier went out of business; they are looking for another parts provider.

Bell Lanes Café – Inverter #05

- Power one is awaiting parts to repair inverters. The supplier went out of business; they are looking for another parts provider.

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Production Data:

After including February's production data, the lifetime to date production versus expected went Down slightly to 3.08%. The percentage of inverters producing above expected stayed the same at 73%.

Preventive Maintenance:

Kortman Is looking to do annual maintenance around June.

Golf & Grounds:

Pro Shops

We played 39,892 rounds in February, of those 19,432 were played by Annual No Fee (Resident) and Annual Surcharge passholders. Remaining rounds were played by Cardholder Daily (7,913), Cardholder Guest (5,471), RCSC Staff (730), Non-Resident passholder (1,445) and Public (4,901). Total rounds were 1,787 fewer than prior year. Rounds were primarily impacted due to weather. The average high temperature for February 2023 was 63.54, down from 67.04 for February 2022. There were 6 days impacted by rain for February 2023, compared to 1 days for January 2022.

We currently have 152 active Non-Resident Golf passes, 90 with cart included 62 walking. As reported last month, at the end of the 6 month trial, the number of Non-Resident passes had increased. Beginning March 1 the price of both passes increased by \$500, the current selling price is \$2,750 walking and \$3,250 riding.

Our March trial of straight sheets, as approved by Golf Advisory in January, is continuing. At the time of this report, twenty five days of information was available. We continue to see an increase in the number of requests for tee times over prior year. Through the first twenty five days we have received 15,724 rounds requests, an increase of 8.25% over the prior year 14,526 rounds requests. The bumps (number golfers not receiving a tee time) for 2023 through March 25 was 1,809 compared to the 1,288 bumps in 2022. Through March 25 the bump% was 11.5% compared to 8.87% in 2022. In summary the number of rounds requests increased by 8.25% and the Bump Rate Percentage increased by 2.64%. At the March 2023 Golf Advisory meeting, the committee voted to continue straight sheet trial through the month of April.

The March Golf Advisory committee also approved proposed modifications to the Ranger Program. The changes proposed were made in an effort to increase the number of Rangers. For each 4 hour shift worked the ranger will receive a voucher for a round of golf at RCSC employee pricing of \$2.00. The only requirement is that each volunteer a minimum of four (four hour) shifts per month, there is no maximum. Rangers using their personal cart will still receive fuel reimbursement based on the total number hours of worked and the current average price of fuel. Anyone interested in becoming a volunteer ranger should contact Chris Linam at clinam@suncityaz.org or by phone 623-876-8419.

We have scheduled a night golf event for Saturday April 22nd at Lakes East. Check-in will begin at 5:30 p.m., dinner will be 6:00 p.m. and play will start at 7:00 p.m. The format will be a two-person scramble, and the entry fee will be \$35.00. Entry forms are available at all pro shops, and we ask that the entries be turned in at Lakes East/Lakes West pro shop. Green fees will be paid on the day of play, entry fees will be due April 8th. The field will be limited to 56 players.

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Snack Shops

Snack shops closing time is 5:00 p.m. and will remain so until rounds begin decreasing in April. Snack Shops have the discretion to remain open longer on particularly busy days.

Golf Courses

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 ball. Please remember that when retrieving an errant shot on a homeowners property, you are trespassing, unless you have been given permission to enter their property. We ask for your cooperation in respecting the property of others.

Our annual USGA visit is scheduled for Tuesday, April 25 and will be conducted by Brian Whitlark from the USGA Green Section. This year we are inviting two representatives from each Green Committee to accompany us for their course visit. We will be spending approximately one hour per property. We have asked each committee to prepare a list of questions/concerns they would like addressed ahead of time. In addition to the Green Committee the RCSC Board of Directors, also attends along with course maintenance personnel.

Lawn Bowl and Grounds

The pace of the greens range from a low of 13.5 seconds on Oakmont and Mountain View to a high of 15.0 seconds on Bell North. Moisture readings range from a low of 8.0 at Bell South and a high of 10.2 on Lakeview East. Greens are currently mowed once per week, rolled three times per week and ditches are cleaned three days per week. Mowing frequency will increase as we move into longer and warmer days. The grounds crew remains busy at the centers trimming trees, spraying weeds and maintain Sun Bowl for the spring concerts.

Bowling:

In February, there were 31,720 games bowled at both bowling centers. The most total games bowled at the centers since 2012 and an overall usage increase of 11% over the prior year. Open Bowling continues to be as strong as ever. There were 8,887 open bowling games bowled, which is the most ever in the month of February since we began keeping track by month in 2001.

The 33rd Annual Sun City Open Senior bowling tournament is coming the final weekend in April and first weekend in May. 77 teams competed last year. Entry forms are available at both centers, so get your teams together and sign up.

The Summer League sign up booklet is out at both centers. Spots are filling up fast so get signed up as soon as possible.

Bowl with the Director continued in March and will continue the first Thursday of every month from 10:30 am until 12:00 pm at Lakeview Lanes. The March event had 31 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 April 6, 2023.

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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 thirty-seven 300 games and fifteen 800 series bowled at both centers so far in this league bowling season.

Operations:

Centers Operations

RCSC is back into full swing with an increase in the activities at the centers. This past month we have seen the Wisconsin Days and Vintage Vehicles Club Car Show at the Sun Bowl, Sundial Concert series, Men's Club Bingo, and multiple weekly dances. Also, this year was the first Italian Festival at the Sundial Center. The Custodial staff and their leadership team played an integral role in the success of these events.

Chartered Clubs

Club rosters are due from each club the first of March. To date the clubs have completed this task very well with just five club rosters outstanding.

The Chartered Clubs Office is beginning to work with clubs on the filing of the E990 postcard financial filings with the IRS. The due date for submissions is May 15th with some clubs getting a head start on this annual requirement.

Assigned club times for the Water Volleyball Club at the Oakmont Center have been increased by including the 11:00am-12:00pm block of time on Mon/Wed/Fri/Sun. Water Volleyball Club hours are now 11:00AM-3:00pm Mon/Wed/Fri/Sun.

Events and Entertainment:

The four shows of the ticketed series held in February did not disappoint! All the acts received a warm Sun City welcome and standing ovations each. The remaining shows of the ticketed series scheduled for March will deliver nothing less!

The Sun Bowl winter/spring series began Sunday, March 5th; however, we did have to move this show inside to the Sundial due to the cold and the rain-saturated Sun Bowl. This didn't keep RCSC Members and their guests away. The disco ball rotated all evening as the elbow-to-elbow dancing was non-stop.

RCSC hosted the Italian Association Festival on March 11th and 12th at the Sundial Recreation Center. The attendance was much greater than anticipated. The food was plentiful, and authentic. There were local vendors and a few of our own craft clubs offering their wares for sale. The entertainment gave a nice variety for all including the Flag wavers that were here from the old country entertaining both young and old. An event we anticipate having again in the future.

RCSC will host the US Navy Sea Chanters in March. The Sea Chanters are a component of the United States Navy Band and are frequently found at the center of the country's most important national events, including inauguration day performances and state funerals. Grab

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your lawn chair. They perform 6pm at the Sun Bowl on Monday, March 27th. Food trucks will not be present for this event.

Volunteers are signing up to help stuff Easter Eggs for our annual Easter Egg hunt at Sun Bowl. We are stuffing 7,000 eggs this year with candy and prizes on Friday, March 17th in the Sundial West Hall from 9am to 2pm. Contact the Events and Entertainment Office if you are interested in helping.