

RCSC Management Report – April 27, 2023

Finance:

Financial Report

The Recreation Centers of Sun City, Inc. (RCSC) ended March 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 (\$44.5k) unfavorable year to date due to food and liquor sales being negatively impacted by weather. Operating Income for March totaled \$2,706k and was (\$41.0k) unfavorable to budget due primarily to Assessments being below budget due to delays in approving the 2023 Budget. Operating expenses for the month were \$1,638k and \$65.3k favorable to budget due to Wages & Benefits being favorable to budget by \$130.6k due to attrition, and Building Repair Services being favorable by \$60.0k due to the timing of repair completion. Year to Date Net Operating Excess was \$534k (20.5%) favorable to budget.

Cardholder Services Report

Payments on past due assessments in February were 10.1% of past due balances. Overall accounts receivable increased in March by 5.9% and is up 5.2% from the end of 2022. Overall accounts receivable past due balances increased in March by 3.6%. February assessments went 30 days past due at a rate of 5.7% and January assessments went 60 days past due at a rate of 4.2%.

Payments from third-party collections firms totaled \$28,777 in March, and total \$41,392 year to date. Payments made in March through the online RCSC Web Portal totaled \$243,101 from 487 property owners. Year to date online portal payments total \$625,279 from 1,281 property owners.

In March, property transfer balances increased by 5.3%. Outstanding balances related to property transfers represent 57% of all receivables and 57% of past due balances. March trustee sale notices on Sun City AZ properties declined by one to 37, and properties owned by lending institutions remained at 1.

Information Technology Report

In March, the Information Technology team received 77 new service requests, and closed 80 requests by month end, leaving 10 remaining open. On average, IT closed service requests in less than one day in March. Year to date, IT has opened 269 tickets, and closed 259 tickets. In March, IT was able to get the new Server Room 98% completed. IT installed 4 new computer cabinets, installed the new TEG server, and installed all of the UPSs in server racks. IT configured and installed the new Network switches in the Server room, Corporate Office, HR and Cardholder Services. In April, Hewlett Packard will be assisting IT with the installation of the Servers, VM's and Storage devices in the Server Room. IT was also able to finish the installation of the wifi access points at Bell for fitness machines, and at Sundial for Clubs.

Human Resources Report

Human Resources added 10 new requisitions during the month of March and filled 11 requisitions, ending the month with zero open position. Year to date, HR has opened 39 requisitions, and filled 46 open positions. The time-to fill requisition KPI in March was 3.6 days.

First quarter Turnover was 6.6%, which on an annualized basis is 26.4% and below the 2023 RCSC KPI of 40%.

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Building & Infrastructure:

Projects:

In Work

Lakes East/West Maintenance Yard (PIF)

- Budget: \$4.0M Total Cost to date: \$3.68M (thru March 2023)
 - Landscaping – SiteWorks LLC completed landscaping 04/12/23 at a cost of \$69,253.
 - **Status: Green**

Mountain View Rec Center Phases 1 and 2 (PIF)

- Budget: \$27.3M Total Cost to date: \$366K (thru March 2023)
- Project suspended per Board direction, 04/05/23
- **Status: Red**

Sun Bowl Softball Field Improvements (PIF)

- Budget: \$1.0M Total Cost to date: \$34.3K (thru March 2023)
- Drawing set to be submitted to Maricopa County the week of April 24th
- 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: \$296K (thru March 2023)
- Installation by crane of DHU-3 was completed on 02/28/23. Unit is going through 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: \$3.3M (thru March 2023)
- 4,312 Truckloads of soil have been removed from the lake as of 04/14/23
- Re-grading of shoreline and placement of liner is in progress in Phase 1
- Project to complete before the end of September 2023
- **Status: Green**

Recently Completed

Bell Recreation Center

- Replaced garage door at custodian's storage/office area. Project was completed on 03/13/23 at a cost of \$2,106. Vendor: Guaranteed Door Service, Inc.

Lakeview Recreation Center

- Completed build-out of new I.T. Server room. Project was completed on 04/13/23 and turned over to I.T. Expenditures to-date: \$62K, final invoices pending. Contractors: Robert E Porter Construction and Accel Electric

Oakmont Recreation Center

- Removed a solar canopy at the parking lot. The canopy was severely damaged by a delivery truck and deemed not cost effective to repair. Project was complete on 03/30/23 at a cost of \$12,489. Contractors: Solar Structure Systems LLC and Kortman Electric

Quail Run Golf Course

- Ran a new electrical service to the water fountain at an on-course restroom to replace a damaged line. Project was complete on 04/16/23 at a cost of \$6,935. Vendor: Accel Electric

Sundial Recreation Center

- Replaced Hallway 5-ton heat pump serving FA station at pool. Project was completed on 04/17/23 at a cost of \$15,800. Contractor: Custom Cooling

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Skilled Trades (Repair and Maintenance)

- Completed 382 work orders in March 2023. Average time to close: 8 days

Solar:

New Issues:

N/A

Issues Resolved:

Oakmont inverter Structure Number 1.

- Structure has been removed.

WB/WC Maintenance Structure number 8.

- Panels have been replaced.

Open Issues:

WB/WC Maintenance inverter number 3, 7, and 9.

- Kortman is looking into Fimer to supply the warranty Inverters.

Lakeview Rec Center inverter number 9.

- Kortman is looking into Fimer to supply the warranty Inverters.

Bell Lanes Café – Inverter #05

- Kortman is looking into Fimer to supply the warranty Inverters.

Production Data:

After including February's production data, the lifetime to date production versus expected went Down slightly to 3.03%. The percentage of inverters producing above expected stayed the same at 73%.

Preventive Maintenance:

Kortman Is looking to perform annual maintenance in June.

Golf & Grounds:

Pro Shops

We played 44,845 rounds in March, of those 21,065 were played by Annual No Fee (Resident) and Annual Surcharge passholders. Remaining rounds were played by Cardholder Daily (9,207), Cardholder Guest (6,023), RCSC Staff (859), Non-Resident passholder (1,552) and Public (6,139). Total rounds were 2,557 fewer than prior year. The average high temperature for March 2023 was 71.29, down from 78.84 for March 2022. Both March 2023 and March 2022 had two days impacted by rain, however total rainfall for March 2023 was 1.47 inches compared to .15 inches for March 2022.

We currently have 144 active Non-Resident Golf passes, 82 with cart included 62 walking. Beginning March 1 the price of both passes increased by \$500, the current selling price is \$2,750 walking and \$3,250 riding.

As announced at Golf Advisory in March we have continued the straight sheet trial into April. At the time of this report, the first twenty-two 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-two days we received 12,974 rounds requests, an increase of 22.33% over the prior year 10,606 rounds requests. The bumps (number golfers not receiving a tee time) for 2023 during the 22 day time frame was 1,054 compared to the 724 bumps in 2022. For the first 22 days the bump percentage was 8.12% compared to 6.83% in 2022. In summary the number of rounds requests increased by 2,368 and the number of bumps increased by 330.

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Saturday golf clinics held in March were very well attended. For the month, over 420 students attended the clinics. Over the four Saturdays, students learned or brushed up on the basics of chipping, putting, iron play and driving. Free golf clinics will be offered again in November. Through April we have had 74 students participate in our Get Golf Ready program. Get Golf ready classes will also be available again beginning in November.

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

With 100-degree days right around the corner, the pace of transition from winter rye to summer Bermuda can be expected to increase. To promote Bermuda growth, fairway heights are lowered to open the grass canopy, which permits the Bermuda grass to receive more sunlight. During this time of transition, it will not be uncommon to see brown patches on the course as the rye dies and the Bermuda begins to grow. Slow-release fertilizer has been applied to all courses to provide the Bermuda nutrients for summer growth. Courses have aerified greens using solid tines to address compaction resulting from winter play.

Lawn Bowl and Grounds

The pace of the greens ranges from a low of 13.0 seconds at Mountain View to a high of 14.9 seconds on Bell North. Moisture readings range from a low of 7.6 at Mountain View and a high of 10.2 on Lakeview West. Greens are currently mowed twice per week, rolled three times per week and ditches are cleaned three days per week. All greens have been aerified using one quarter inch solid tines. We will begin our verticut process once temperatures permit and the bermuda base is actively growing. The grounds crew remains busy at the centers trimming trees, spraying weeds and maintain Sun Bowl for the spring concerts. All grassed areas have received spring fertilizer applications to prepare for summer growth.

Bowling:

In March, there were 37,858 games bowled at both bowling centers. The most total games bowled at the centers since 2011 and an overall usage increase of 15% over the prior year. Open Bowling continues to be as strong as ever. There were 9,739 open bowling games bowled, 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, get your teams together.

Summer League sign-ups are happening. Inquire at the bowling counter at both centers. There is a new No Tap League Program at Bell Lanes, Wednesday at Noon beginning May 10. We also have a new No Tap 2 game league format at Bell Lanes beginning at 4 pm on Wednesday May 17. Both leagues are a 12-week commitment. No Tap bowling is when you knock down 9 pins, you receive a strike for that frame.

Looking for a challenge this summer. The Kegel Challenge Pattern league is returning to Lakeview Lanes Thursday nights beginning June 1 at 7pm.

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 April event had 29 people that attended. This

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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 May 4, 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.

There have been fifty 300 games and seventeen 800 series bowled at both centers in this league bowling season.

Operations:

Centers Operations

With the de-charter of the Duffeeland Dog Park Club, the liaison between dog park users and RCSC and the resource for ongoing maintenance tasks within the park to support the self-monitoring of the park by park users are no longer in place. RCSC Operations will take over the daily maintenance tasks within the dog park. To complete these daily maintenance tasks, the dog park hours are being adjusted. The dog park hours will not shift back to 6:00am during the May-September months with the opening time for the park being 7:00am throughout the year. The closing time for the park will continue to be 8:00pm for the May-September months.

First quarter 2023 total visits to monitored activity areas are slightly lower than 2022. Outdoor activities account for the decline in visits and is reflective of the poorer weather in the first three months of the year.

Chartered Clubs

The 2023 first quarter Chartered Club attendance is provided with this management report. The club membership counts on this report have been updated with the March 2023 roster information submitted by each club.

The following clubs have been included for de-charter this month at the request of the clubs: Armchair Travel Club and Duffeeland Dog Park Club.

The B&I team coordinated the moved the Quilting clubs into the new space at Grand Center on Monday, April 10, 2023 with the club getting settled before opening for club member use.

Events and Entertainment:

We had twenty-nine volunteers stuffing 7,000 Easter Eggs with a variety of chocolates, hard candies and bracelets on Friday, March 17 in the Sundial West Hall from 9am to 2pm. Pizza and soft drinks were provided for our hard-working volunteers.

The Easter Egg Hunt on Saturday, April 8 was very well attended. Hundreds of grandparents, parents and children enjoyed the egg hunt, petting zoo, crafts, facepainting and interaction and photos with the Easter Bunny from 9am to 12pm. We had nine volunteers helping throughout the event, including set-up at 7a.m. through clean up.

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The free Sun Bowl concert series in April has five concerts occurring Sundays from 6:30-8pm. It began on Sunday, April 2 and goes through April 30. Concerts are well attended and there have been four food trucks for everyone to enjoy.

The Sunday Sunrise Church Service on Easter Sunday at 7am at Sun Bowl was well attended and enjoyed by many.

The next concert will be on Wednesday, June 14 at Sundial from 6 to 7:30pm with performance by The Main Event. This event is free for RCSC Cardholders/Privilege Cardholders and their escorted guests. No food trucks will be in attendance.