

RCSC Management Report – May 25, 2023

Finance:

Financial Report

The Recreation Centers of Sun City, Inc. (RCSC) ended April 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 (\$57.7k) unfavorable year to date due to food and liquor sales being negatively impacted by weather. Operating Income for April totaled \$2,303k and was (\$16.8k) unfavorable to budget due primarily to Assessments being below budget by (\$90.0k) due to the January and February assessment invoices being issued for \$496 due to the 2023 budget approval delay. Operating expenses for the month were \$1,576k and \$247.1k favorable to budget due to Wages & Benefits being favorable to budget by \$65.2k due to attrition, and Building Projects being favorable by \$129.9k due to the timing of project completion. Year to date Net Operating Excess was \$763.9k (23.4%) favorable to budget.

Cardholder Services Report

Payments on past due assessments in April were 13.1% of past due balances. Overall accounts receivable decreased in April by (2.6%) and are up 2.5% from the end of 2022. Overall accounts receivable past due balances increased in April by 2.5%. March assessments went 30 days past due at a rate of 4.5% and February assessments went 60 days past due at a rate of 3.9%.

Payments from third-party collections firms totaled \$28,006 in April, and total \$69,398 year to date. Payments made in April through the online RCSC Web Portal totaled \$242,914 from 498 property owners. Year to date online portal payments total \$868,193 from 1,779 property owners.

In April, property transfer balances decreased by (5.5%). Outstanding balances related to property transfers represent 55% of all receivables and 58% of past due balances. April trustee sale notices on Sun City AZ properties increased by 2 to 40, and properties owned by lending institutions remained at 1.

Information Technology Report

In April, the Information Technology team received 78 new service requests, and closed 81 requests by month end, leaving 7 tickets remaining open. On average, IT closed service requests in less than one day in April. Year to date, IT has opened 347 tickets, and closed 340 tickets.

IT completed the new server room in April. All of the new HP servers and storage devices have been installed, as well as the new TEG server. The installation of new fiber cabling and networking equipment was completed at Lakeview. Cabling and wifi equipment was installed at Bell to support the new exercise equipment, and new credit card readers were installed at Cardholder Services. Telephone and wifi connections were installed to support the SAC Committee's new workspace at the Oakmont facility.

Human Resources Report

Human Resources added 20 new requisitions during the month of April and filled 14 requisitions, ending the month with 7 open position. Year to date, HR has opened 60 requisitions, and filled 60 open positions. The time-to fill requisition KPI in April was 4.3 days.

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HR has begun to subscribe to an outside service to benchmark RCSC salaries against other West Valley employers. This data will be extremely helpful as we begin to work on the 2024 Budget. HR also met with our employee benefits broker to review our benefits program and evaluate potential changes to the program. These projects are being undertaken in an effort to reduce employee turnover and increase employee retention.

Building & Infrastructure:

Projects:

In Work

Marinette Recreation Center (Capital)

- Budget: \$340,000 Total Cost to date: \$50K (thru April 2023)
- Major renovation project for the Clay Club, including enlargement of the kiln room, replacing doors, windows and adding LED lighting
- Project also involves replacing the 400-amp Service Entrance Section (SES) for the Clay Club building with an 800-amp panel to accommodate extra kiln load

- **Status: Green**

Mountain View Rec Center Phases 1 and 2 (PIF)

- Budget: \$27.3M Total Cost to date: \$391K (thru April 2023)
- Project suspended per Board direction, 04/05/23

- **Status: Red**

Sun Bowl Softball Field Improvements (PIF)

- Budget: \$1.0M Total Cost to date: \$36K (thru April 2023)
- Drawing set submitted to Maricopa County 05/03/23 for approval
- General Contractor Request for Proposal (RFP) being prepared for week of May 22nd release

- **Status: Green.**

Viewpoint Lake Repair (PIF)

- Budget: \$8.0M Total Cost to date: \$4.45M (thru April 2023)
- 6,152 Truckloads of soil have been removed from the lake as of 05/12/23 – the soil removal process is now complete
- Shoreline placement and dock re-installations complete in Phase 1
- Project to complete before the end of September 2023

- **Status: Green**

Recently Completed

Grand Center

- Sealcoat and re-stripe parking lot. Project was complete on 05/05/23 at a cost of \$10,710. Contractor: Rose Paving LLC

Lakeview Lanes

- Replaced 5-Ton Rooftop Unit (RTU) with new Trane equipment. Project was complete on 05/04/23 at a cost of \$13,623. Contractor: Tolin Mechanical

Sundial Recreation Center

- Added a Rinnai hybrid tankless water system. Project was complete on 04/20/23 at a cost of \$14,745. Contractor: DFG Builders LLC

Skilled Trades (Repair and Maintenance)

- Completed 294 work orders in April 2023. Average time to close: 9 days

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Solar:

New Issues:

N/A

Issues Resolved:

N/A

Open Issues:

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

- Kortman emailed Firmer on 05/03/23 requesting what action is being taken on the warranty replacement units

Lakeview Rec Center Inverter number 9.

- Kortman emailed Firmer on 05/03/23 requesting what action is being taken on the warranty replacement unit

Bell Lanes Café – Inverter #05

- Kortman emailed Firmer on 05/03/23 requesting what action is being taken on the warranty replacement unit

Production Data:

After including February's production data, the lifetime to date production versus expected went Down slightly to 2.10%. The percentage of inverters producing above expected stayed the same at 73%.

Preventive Maintenance:

Kortman is still on schedule to do annual maintenance in June.

Golf & Grounds:

Pro Shops

We played 38,107 rounds in April, of those 19,557 were played by Annual No Fee (Resident) and Annual Surcharge passholders. Remaining rounds were played by Cardholder Daily (6,684), Cardholder Guest (4,196), RCSC Staff (902), Non-Resident passholder (1,607) and Public (5,161). Total rounds were 2,557 fewer than prior year. For the first time this year monthly rounds exceeded the prior year's monthly rounds, with 714 more rounds played. The Golf Division also exceeded budgeted revenue by \$72,916 and is now ahead of budget YTD by \$31,277.

We currently have 145 active Non-Resident Golf passes, 82 with cart included 63 walking. Beginning March 1, 2023 the price of both passes increased by \$500. The current selling price is \$2,750 walking and \$3,250 riding.

With the summer temperatures returning here are a couple of reminders. June 1st twilight will start at 10:45 a.m. and with the days getting longer and pro shops closing at 5:00pm don't forget our after 5 golf passes. The After 5:00 card for Surcharge Pass holders is \$12.00 and for daily

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fee cardholders it is \$44.00. After 5:00 cards are available at any of our pro shops and are valid 30 days from the date of purchase.

Snack Shops

Snack shops closing time is 3:00 p.m., with the exception of the North Course which is closing at 1:00 p.m. Beginning June 1 all Snack Shops will begin closing at 1:00 p.m. Snack Shops have the discretion to remain open longer on particularly busy days.

Golf Courses

On April 25 RCSC conducted the annual USGA visit with Brian Whitlark from the USGA Green Section. Mr. Whitlark is a professional soil scientist and holds B.S. and M.S. degrees from the Department of Soil, Water and Environmental Science. During the visit we spent time on all RCSC golf courses. Highlights of the visit include: excellent overall health of the putting greens on all courses with some room to improve green speed consistency; strong emphasis on bunker conditions and consistent sand depth; a recommendation to increase overseed area around green surrounds; a discussion on bermudagrass transition including the conversion of the North front 9 to Tif-Tuf bermudagrass; planned replacement for the irrigation system at Quail Run and many conversations regarding water conservation. Mr. Whitlark was pleased to see the improvement in green quality cut from his 2022 visit. The full report is now available on the RCSC website on the Golf page under Resources.

Lawn Bowl and Grounds

The pace of the greens range from a low of 13.4 seconds at Mountain View to a high of 14.5 seconds on Bell North. Moisture readings range from a low of 9.8 at Oakmont and a high of 13.1 on Lakeview West. Greens are currently mowed twice per week and rolled three times per week, and ditches are cleaned three days per week. Any greens have verticut two directions to a depth of approximately one quarter of an inch. We will begin our verticut process once temperatures permit and the bermuda base is actively growing. In June we will conduct more aggressive verticutting. The Grounds crew remains busy at the centers trimming trees and spraying weeds.

Bowling:

In April, there were 23,582 games bowled at both bowling centers. This represents the most total games bowled at the centers since 2015. Open Bowling continues to be as strong as ever with 9,256 open bowling games bowled, which is the most ever in the month of April since we began keeping track by month in 2001.

Due to the increased level of play Bowling operations has adjusted the way they manage lanes and league bowling. All league bowling sign-ups require the RCSC Member number to prioritize members first. The staff has been trained to prioritize open bowling lanes to always put members first.

The Summer Bell Lanes No Tap Tournament series continues in May. See Nancy at Bell Lanes if interested in signing up. These tournaments run the last Sunday of the month through September.

There are still some openings in most of the Summer Leagues. Please reach out to the staff at the bowling centers if interested in joining. Looking for a challenge this summer? The Kegel Challenge Pattern league is returning to Lakeview Lanes Thursday nights beginning June 1st at 7 pm.

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Bowl with the Director continued in May and will continue the first Thursday of every month from 10:30 am until 12:00 pm at Lakeview Lanes. The May event had 27 people that attended. This event is free to all RCSC Members. 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 June 1, 2023.

Operations:

Centers Operations

The upgraded cardio equipment has been installed at Bell Center and has been configured. This new equipment provides an enhanced interface and a variety of functionality, including: integrated terrain navigation, on demand instructor led classes, smart device connectivity for workout tracking, and popular entertainment features such as PlutoTV, YouTube, Netflix, Pandora, and Spotify. As this equipment is made available for Cardholder use, we will be providing some demonstrations to highlight the new features of the equipment.

Several projects have been completed at RCSC centers that affected the centers. These included:

- Resurfacing of all pickleball courts at Marinette Center.
- Sealing and restriping of the parking lot at Grand Center, inclusive of traffic flow information.
- Regrouting tennis courts at Bell Center

The Vertical Knee Raise/Dip equipment at Sundial Center has been replaced with a unit that provides for a shorter rise from the foot stands to the forearm pads that allows this equipment to be broader fitting for Cardholders, particularly shorter individuals.

Replacement of the flooring in the Lakeview fitness center is in progress. The older carpeting is being replaced with a rubber material designed for fitness centers to provide a better surface for the fitness center users. This is being completed in conjunction with the replacement of the strength equipment and a room reconfiguration at this location. The antiquated strength equipment is being replaced with the Hammer Strength line installed at other fitness centers for a consistent experience for Cardholders.

Chartered Clubs

All RCSC Chartered Clubs have turned in their 2024 schedules by the due date. This is a significant accomplishment as this may be the first time in many years that this has occurred. Staff are entering these schedule requests into the reservation system that will identify conflicts for review.

The Duffeeland Dog Park Club members have voted to continue to operate the club and elected new executive officers. With the club continuing and to complete the park tasks historically completed by the club, the Duffeeland Dog Park hours have been reset to open at 6:00am from May-September as RCSC will no longer need to complete daily maintenance tasks in the park.

RCSC Chartered Clubs are submitting their 2024 budget requests at this time. These requests are reviewed for inclusion in the 2024 operating budget that is developed over the summer months.

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Events and Entertainment:

The next concert will be on Wednesday, June 14 at Sundial from 6:00-7:30 p.m. with a 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.

Ring That Bell 4th of July Event will be held on July 4 at Bell Center beginning at 9 a.m. with a presentation and video. Plan on meeting afterwards at Bell Lanes for free bowling, darts, billiards, and shuffleboard for RCSC Cardholders and their escorted guests. There will be BBQ pork sandwiches offered by George's Café at a cost of \$8.00 with \$1.00 of each purchase donated to Sun City Foundation.

Preparing the entertainment schedule for the 2023 Winter Concert Series and the Sun Bowl Spring concerts.

Communications and Marketing:

Beth Lucas was hired as our new Communications and Marketing Manager.

The communications team in April and May faced two staff changes but have filled both positions and normal operations have continued during this process. A Google analytics review of use of the suncityaz.org Website (May – April) revealed an increase in year-to-date visits during roughly the past 12 months, to 258,203 from 244,116. Top pages visited were the Home page, Golf and Pro Shops, Recreation, RCSC, Golf and pro shop fees page, Concerts page, Employment page, and Recreation/Clubs page. More than half of the visits were guests using mobile devices or tablets, with that number increasing from last year to 57.16% from 52.9%. More than 60 percent of searches leading visitors to the Website were organic searches seeking information on subjects such as retirement communities, golf, recreation and employment.

The Sun City Visitors Center served 859 guests in March. That included 28 prospective home buyers, five prospective renters and 5 considering buying or renting in the area. Among new residents who moved to Sun City in March, eight have visited the Sun City Visitors Center in advance. The greatest interests from among all visitors were the activities of walking, pickleball and swimming. Guests were most interested in picking up club brochures, getting a tour or general information, and directions.