

FINANCE:

Financials:

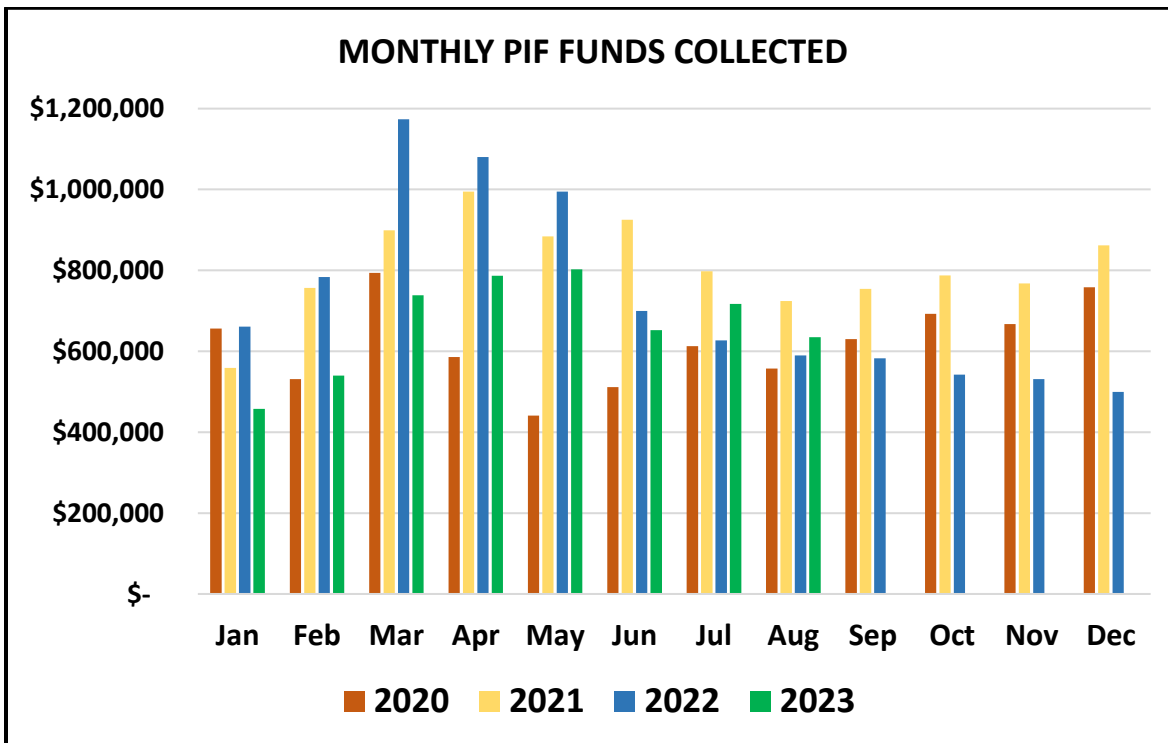
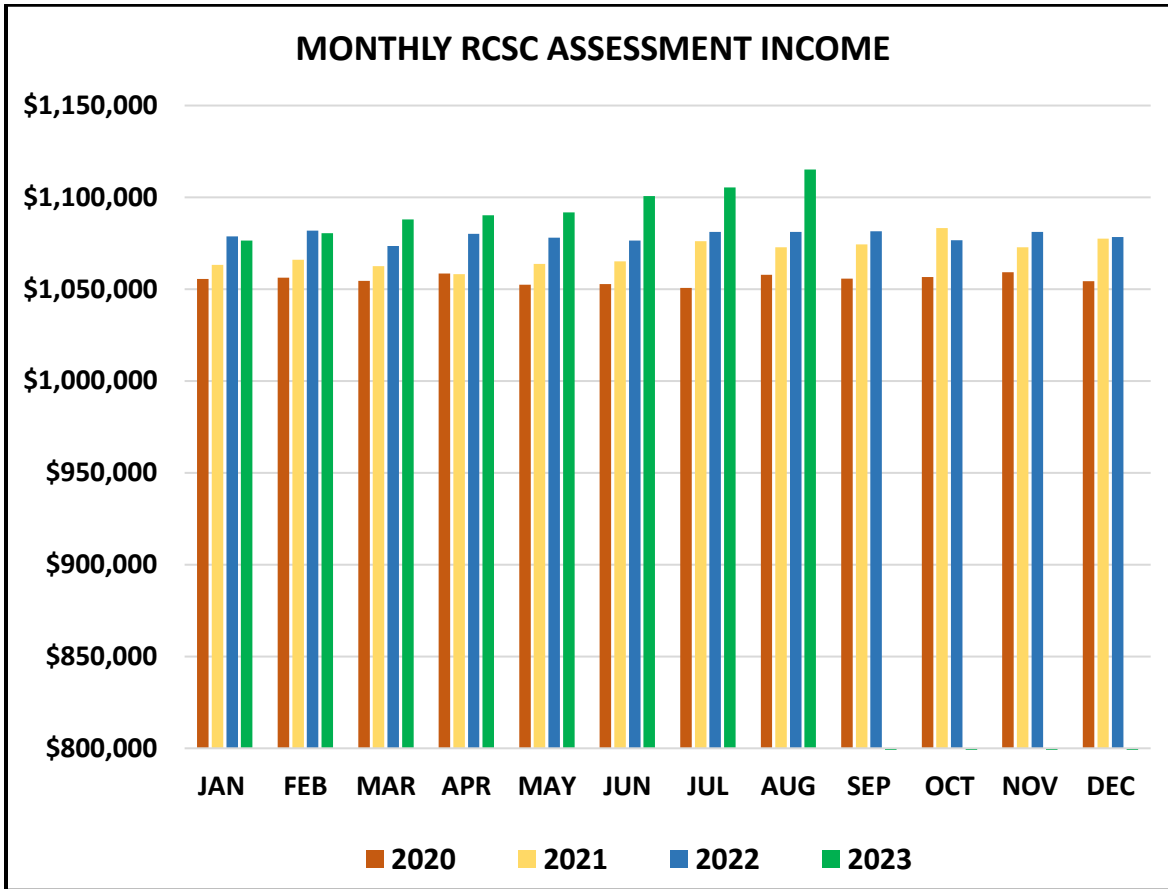
The Recreation Centers of Sun City, Inc. (RCSC) ended August within its operating and capital budget year to date. All Divisions except Food & Beverage have met or exceeded their net operating budget projections year to date. Food & Beverage is (\$100.1k) unfavorable year to date due to food and liquor sales being negatively impacted by weather in Q1 2023, and Equipment repairs at the cafes being \$16.4k over budget. Operating Income for August totaled \$1,851k and was \$177.8k favorable to budget due primarily to Assessments being above budget by \$33.9k and booking of \$127.0k in Grant revenue from the golf water reduction grant from the AZ Tourism Board. Operating expenses for the month were \$2,298k and \$245.5k unfavorable to budget due to the timing of the Bell parking lot repair and the timing of Seed purchases for overseeding. Year to date Net Operating Excess was \$2,580k and favorable to budget by \$948k (37%). This favorable year to date Operating Excess was due to Wages and Benefits being \$574k favorable to budget, and Projects being \$276k favorable to budget due to the timing of project completion.

Cardholder Services:

Payments on past due assessments in August were 15.5% of past due balances. Overall accounts receivable decreased in August by (1.0%) and are up 0.3% since the end of 2022. Overall accounts receivable past due balances decreased in August by (0.75%). July assessments went 30 days past due at a rate of 6.5% and June assessments went 60 days past due at a rate of 2.4%.

Payments from third-party collections firms totaled \$35,767 in August, and total \$180,881 year to date. August payments made through the online Web Portal totaled \$178,175 from 361 property owners. Year to date online portal payments total \$1,620,604 from 3,302 property owners.

In August, property transfer balances decreased by (2.5%). Outstanding balances related to property transfers represent 54% of all receivables and 55% of past due balances. August trustee sale notices on Sun City AZ properties decreased by one to 28, and properties owned by lending institutions remained at 1.



RCSC Management Report: September 28, 2023

Information Technology:

In August, the Information Technology team received 68 new service requests, and closed 67 requests by month end, leaving 14 tickets remaining open. On average, IT closed service requests in less than one day in August. Year to date, IT has opened 618 tickets, and closed 604 tickets.

The new networking service - SDWAN - is fully implemented at Willow Maintenance and B&I, and at Lakes Maintenance. The new TEG Server is online at the new Server Room, waiting for the migration from the old TEG environment in the Warehouse to the new server, which is planned for early October. The new Network environment is complete at Lakeview, and IT has begun migrating users from the old network environment to the new equipment.

Human Resources:

Human Resources added 25 new requisitions during the month of August and filled 28 requisitions, ending the month with 7 open positions. Year to date, HR has opened 124 requisitions, and filled 124 open positions. The time-to fill requisition KPI in August was 11 days.

HR has begun to update the new employee orientation paperwork and will continue working on that in September. HR also continued working on salary benchmark data for the 2024 Budget. We received some very good news from our health insurance broker that our 2024 medical insurance rates will remain flat compared to 2023 due to reductions in our medical claims rates.

BUILDINGS & INFRASTRUCTURE:

PROJECTS:

In Process:

Marinette Recreation Center (Capital) Status: Green.

- Budget: \$340,000. Total Cost to date: \$228,249.
- Project substantially completed 09/05/23.

Mountain View Rec Center Phases 1 and 2 (PIF) Status: Red.

- Budget: \$27.3M. Total Cost to date: \$391,467.
- Project suspended per Board direction, 04/05/23.

Sun Bowl Softball Field Improvements (PIF) Status: Green.

- Budget: \$1.0M. Total Cost to date: \$48,950.
- 3 bids received 6/20/23; Bids subsequently rejected by the Board.
- 2 additional bids received 08/31/23 that are under review by B&I.

Viewpoint Lake Repair (PIF) Status: Green.

- Budget: \$8.0M. Total Cost to date: \$6.9M.

RCSC Management Report: September 28, 2023

- Viewpoint Lake refill process began 08/04/23, projected to be complete by the end of October 2023.

Recently Completed:

Bell Recreation Center

- Replaced AC unit serving the Library with a new 20-ton unit. Project was completed on 08/28/23 at a cost of \$40,024. Contractor: CMS/Nextech.

Lakeview Recreation Center

- Replaced AC unit serving George's Café with a new 5-ton heat pump. Project was completed on 08/29/23 at a cost of \$12,120. Contractor: Tolin Mechanical.
- Replaced AC unit serving Social Hall #2 with a new 5-ton gas pack. Project was completed on 08/29/23 at a cost of \$14,400. Contractor: CMS/Nextech.
- Replaced mini-split AC serving the Custodian's office with a new unit. Project was completed on 08/08/23 at a cost of \$8,442. Contractor: CMS/Nextech.

Marinette Recreation Center

- Replaced AC unit serving the Clay Corner with a new 3.5-ton gas pack. Project was completed on 08/11/23 at a cost of \$8,601. Contractor: CMS/Nextech.

Riverview Golf Course

- Replaced Evap cooler serving the snack shop with a new unit. Project was completed on 08/07/23 at a cost of \$2,722. Contractor: CMS/Nextech.
- Replaced AC unit serving the snack shop with a new 6-ton gas pack. Project was completed on 08/07/23 at a cost of \$13,982. Contractor: CMS/Nextech.

South Golf Course

- Painted interiors of both on-course restrooms. Project was completed on 08/21/23 at a cost of \$1,300. Contractor: Exquisite Painting.

Sun Bowl Amphitheater

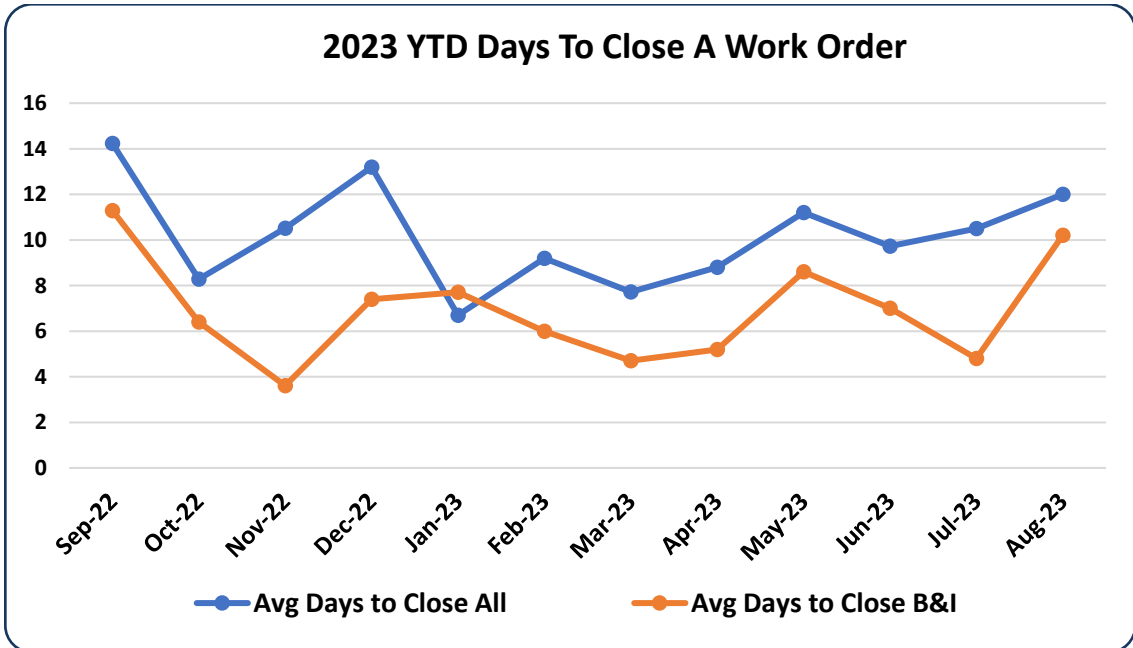
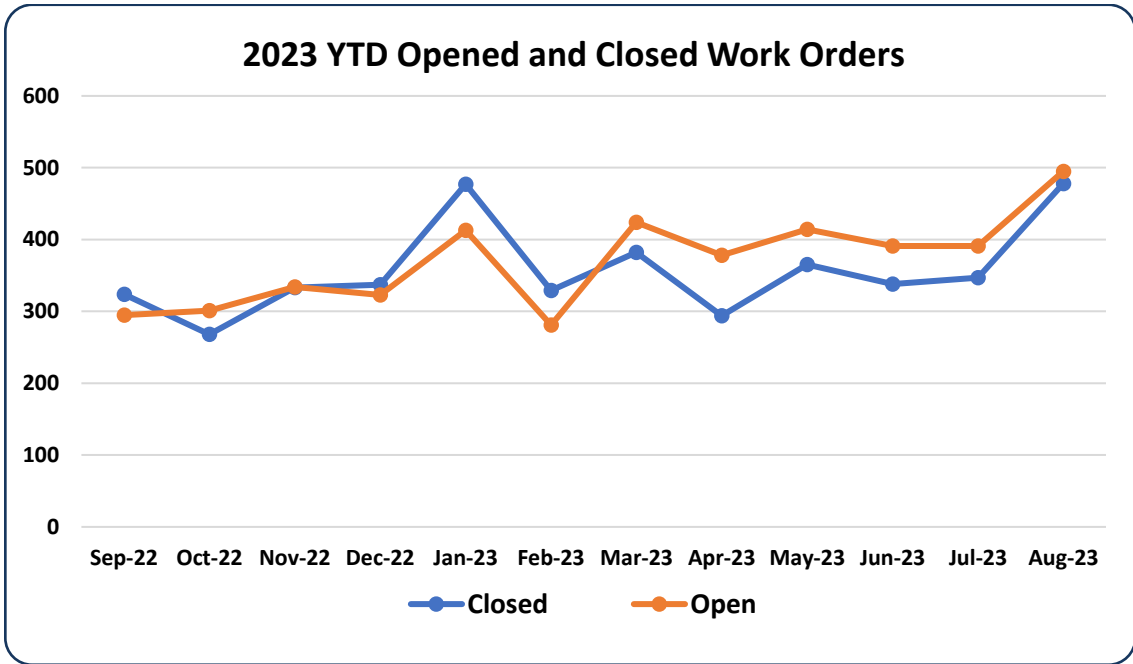
- Replaced (2) mini-split AC units serving the dressing rooms. Project was completed on 08/23/23 at a cost of \$16,326. Contractor: CMS/Nextech.

Sundial Recreation Center

- Installed 17 new LED light fixtures serving the pool equipment room. Project was completed on 08/18/23 at a cost of \$7,882. Contractor: Accel Electric.
- Refurbished the wood floor at the auditorium. Project was completed on 08/16/23 at a cost of \$78,057. Contractor: Enmar Hardwood Flooring.

WORK ORDERS (Skilled Trades Repair and Maintenance):

- B&I opened 495 new work orders and completed 478 work orders in August. The average time to close a work order in August was 12 days. B&I has completed a total of 2,986 work orders in 2023.



SOLAR:

New Issues:

Mountain View Inverter Number 13:

- Experiencing outages consistently during midday timeframes. Kortman is investigating.

RCSC Management Report: September 28, 2023

Open Issues:

Willow Maintenance Inverter Number 3, 7, and 9. Lakeview Inverter Number 9. Bell Lanes Inverter Number 5:

- Kortman emailed Firmer on 05/03/23 requesting what action is being taken on the warranty replacement units. These units have been down since last fall.
- Firmer has filed for chapter 11 bankruptcy; working with Kortman Electric to come up with an alternative Inverter product.

Production Data:

- Including August production data, the lifetime to date production versus expected went up slightly to 2.49%. The percentage of inverters producing above expected remains steady from last month's report at 72%.

GOLF & GROUNDS:

Superintendent Update:

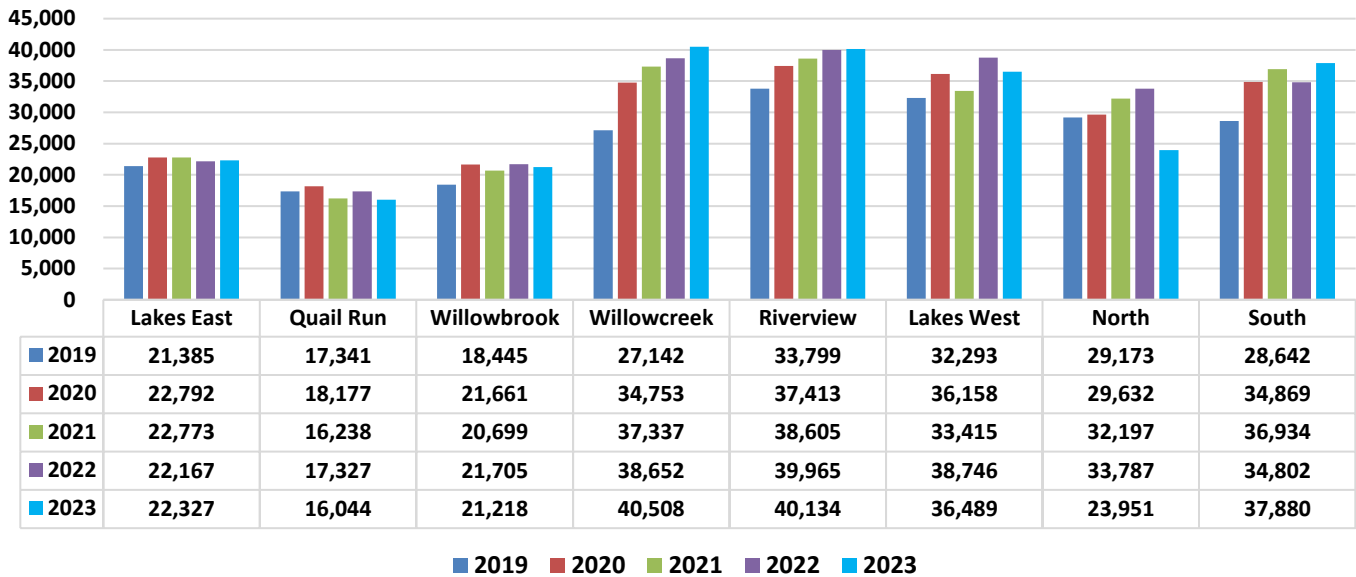
As we near the end of this blistering hot Summer and the completion of several projects surrounding the golf courses, I wanted to take some time to thank you all for your patience. With the front 9 being closed at North and the Lakes West tee box transition to Tif Tuf, your patience and support have been greatly appreciated. We are very excited for this upcoming overseed season. All of our courses will be using a blend of straight Perennial Ryegrass which will provide optimal playing conditions from Tee to Green. Two of the most noticeable differences in the Ryegrass will be the density of the turf and the overall aesthetic look of the turf. We are looking forward to expanding our overseeded areas, specifically to our green banks. The goal for RCSC is to have most if not all green side bunkers in the overseed this season. This will provide more options for the golfer that slightly misses their approach shot as opposed to being in dormant Bermuda.

Our maintenance teams are working very hard right now getting the courses ready for prep and seed. The weather is slightly warm but should be ideal for the first wave of seeding. One of the biggest challenges coming into season is simply reminding your playing partners to fill their divots and fix one or more ball marks on the greens. It takes all of us collectively to make a difference. We are excited for this upcoming overseed and look forward to another beautiful Fall and Winter of Arizona golf.

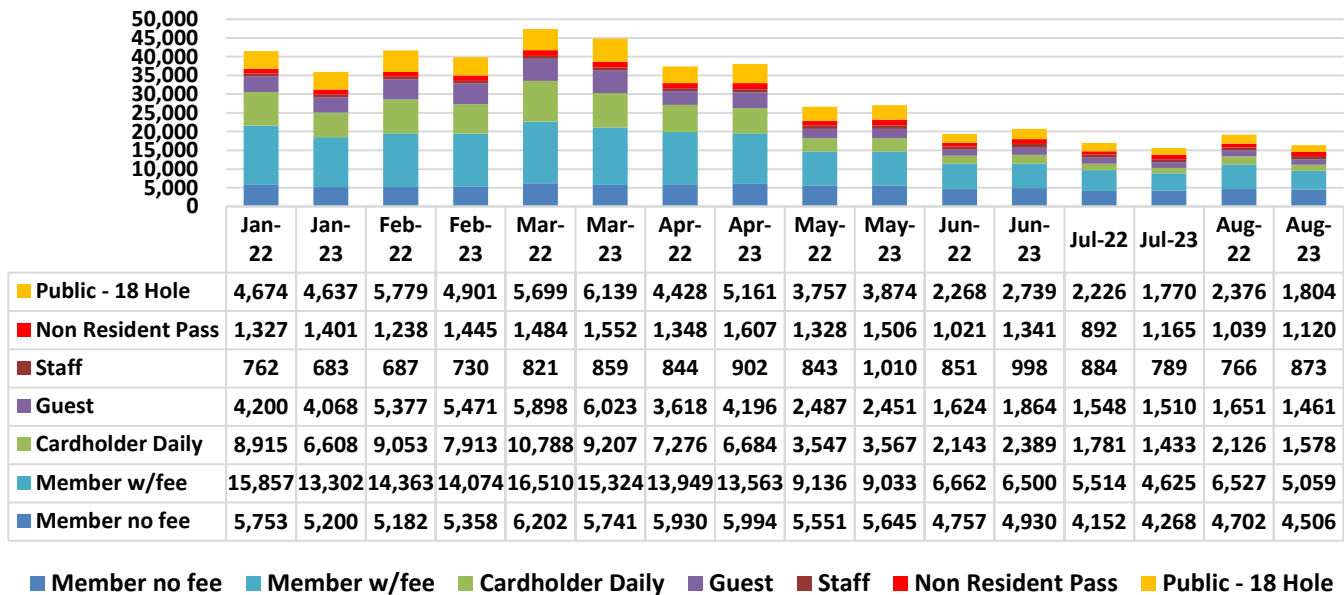
Pro Shops:

Year to Date total rounds played in 2023 was 238,551, which was 10,258 rounds less than the same timeframe in 2022. The main cause of the drop was the closure of the front nine holes at North to replace the turf with Tif Tuf grass.

YTD 2023 Golf Rounds Played by Course



YTD 2023 Golf Rounds Comparison by Month

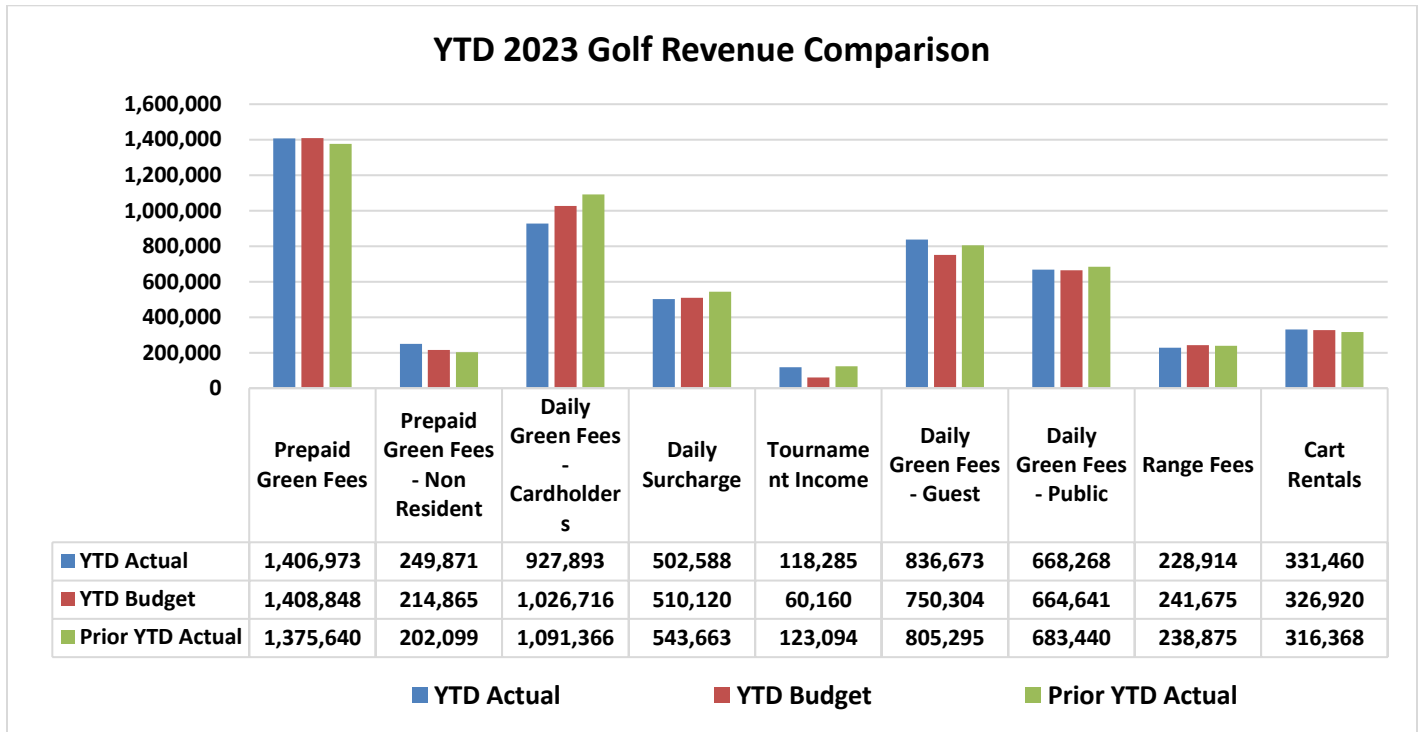


A breakdown of year-to-date rounds by type reveals:

- 33.7% of total YTD rounds were played by Member Surcharge Passholders
- 18.4% of total YTD rounds were played by Member No Fee Passholders
- 16.7% of total YTD rounds were played by Cardholder Daily golfers
- 12.9% of total YTD rounds were played by Public golfers
- 11.3% of total YTD rounds were played by Guests
- 4.4% of total YTD rounds were played by Non-Resident Passholders

RCSC Management Report: September 28, 2023

Total Golf Revenue year to date was \$5,653,243 and was \$316,744 favorable to Budget. Guest greens fees and Tournament income were \$86,369 and \$58,125 favorable to budget, respectively, and \$223,748 in unbudgeted Grant revenue has been booked out of the \$525k grant received from the AZ Tourism Board.



Lawn Bowl and Grounds

The pace of the greens range from a low of 12.5 seconds at Oakmont to a high of 13.8 seconds at Lakeview West. Moisture readings range from a low of 11.5 at Bell South to a high of 16.3 at Lakeview West. During the September Lawn Bowl Advisory meeting, our Grounds Superintendent, Scot Jones, presented the summer maintenance practices that took place. These included two aerifications, 5 applications of liquid foliar fertilizer, 3 applications of granular fertilizer, 2 verticuts and one additional aggressive verticut with a planar.

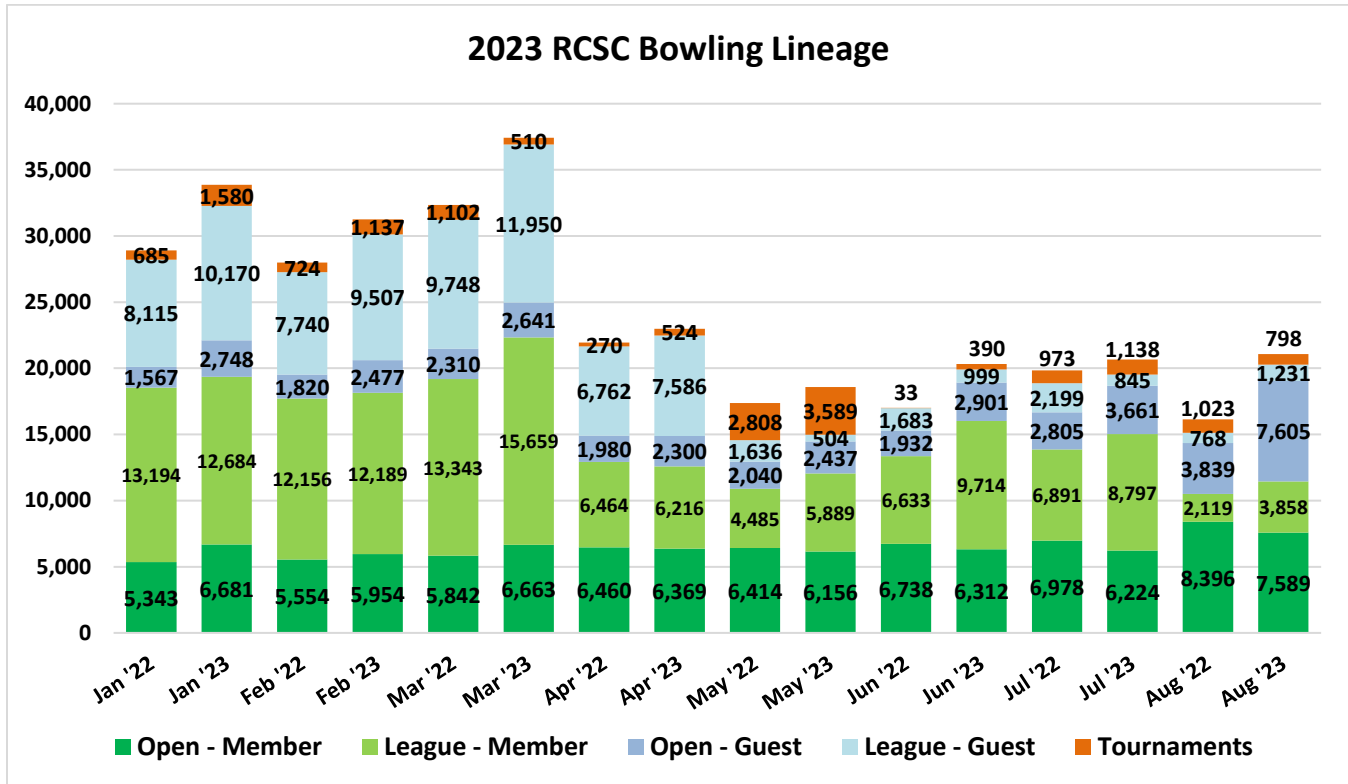
The grounds team has also been busy cleaning up around the centers, trimming bushes and prepping Sun Bowl for the Fall concert series. The softball field is being prepped for overseeding, which is scheduled to begin the week of October 2.

RCSC Management Report: September 28, 2023

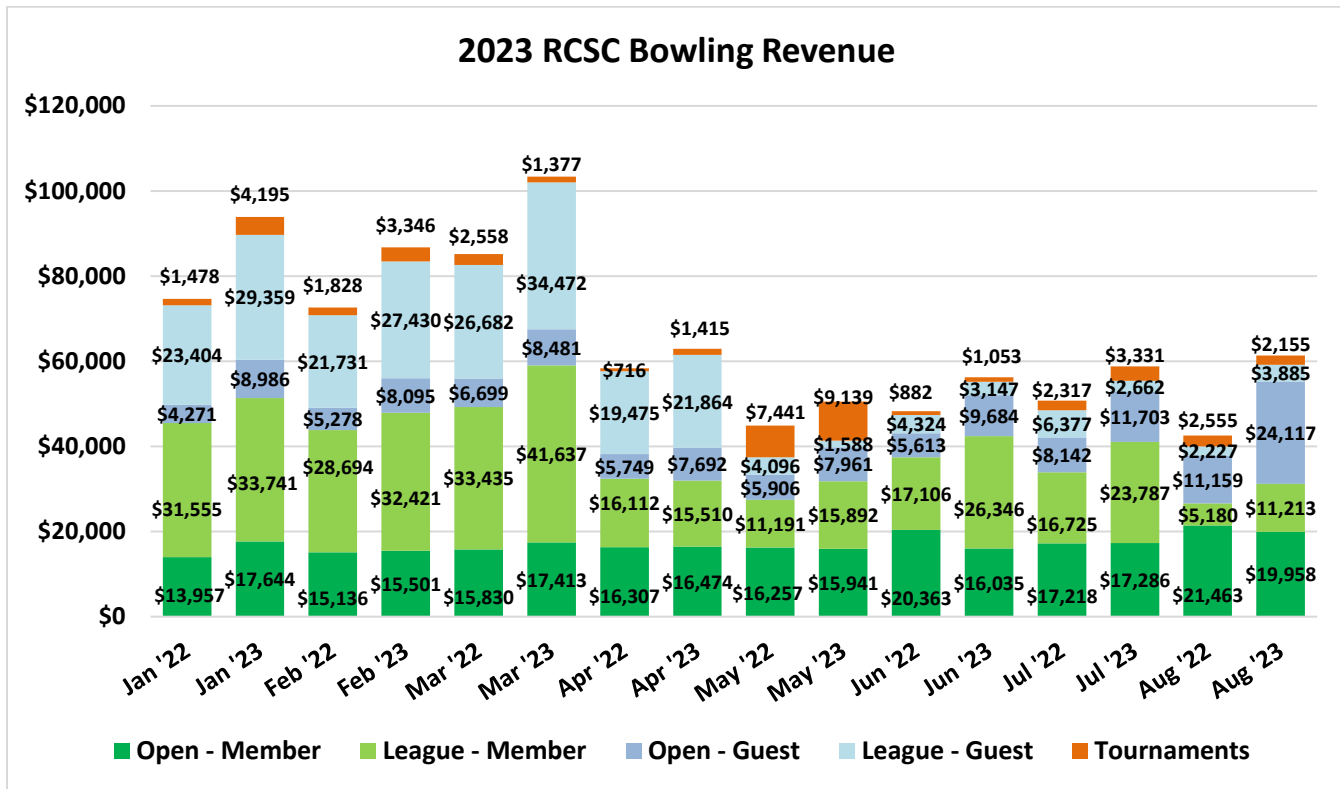
BOWLING:

Fall Bowling leagues have begun at RCSC. If you are looking to bowl, please call the bowling centers first to confirm lane availability.

In August of 2023, Bowling lineage continued to outpace 2022 totals. August 2023 lineage totaled 22,211, compared to 17,140 in August of 2022, an increase of 30%. Year to date lineage through August 2023 totaled 211,552 lines, compared to 186,425 through August 2022, an increase of 13%.



Bowling Revenue in August 2023 totaled \$61,328 which was 44% higher than the August 2022 revenue of \$42,585. Year to date, 2023 Bowling revenue was \$573,936, or 20% greater than the total revenue through August of 2022.



OPERATIONS:

Centers Operations:

Updated attendance during the expanded Sunday opening hours at Bell and Marinette Centers is listed in the chart below. Use of the Bell Center walking pool and fitness center continue to be greater than lap swimming, which was the impetus for the earlier center hours. Pickleball play is the main early center use on Sunday mornings at Marinette Center.

Date	Bell Center				Marinette Center			
	All	Swimming	Walking Pool	Fitness	All	Pickleball	Swimming	Fitness
7/2/2023	100	20	45	36				
7/9/2023	89	19	40	35	26	11	8	7
7/16/2023	93	15	39	41	33	18	6	10
7/23/2023	96	15	33	43	74	53	9	9
7/30/2023	57	6	14	36	56	41	0	12
8/6/2023	85	14	30	31	39	20	5	10
8/13/2023	99	16	44	32	71	46	7	13
8/20/2023	76	10	30	36	60	44	2	14
8/27/2023	72	8	36	28	47	29	7	11
9/3/2023	81	9	36	36	37	28	6	3
9/10/2023	79	14	33	32	57	39	6	12

RCSC Management Report: September 28, 2023

Average	84	13	35	35	50	33	6	10
Maximum	100	20	45	43	74	53	9	14
Minimum	57	6	14	28	26	11	0	3

In response to negative feedback to responsiveness of comment card handling, an online communication platform was sought to improve the tracking of comment cards and communication with Cardholders. In researching alternatives, we focused on civic engagement software providers that provide solutions to larger user bases with similar communication needs to RCSC. We have identified the One View platform from Granicus as the appropriate solution for RCSC. This platform uses both web and app-based tools on the front end that support the addition of photos to improve the communication process. On the back end, this solution provides workflows for the internal handling of the comment through resolution and communication back to Cardholders, as well as strong reporting capabilities. Public viewing of submitted issues, without Cardholder identifying information, provides a view into reported items that can eliminate duplicate issues being reported. The initial rollout of this new platform will be in 6-8 weeks with further detailed communications forthcoming. The goal is to move all comment communications to this platform and eliminate the paper cards. However, there will be a transition period with accommodation being provided for those for those who may need time to adapt to the new system.

Chartered Clubs:

Application for a new Chartered Club, Fun City Card Club, is included on the Consent Agenda this month.

All club schedules have been completed and entered in the reservation system and are being entered in the directory. Communications to Club presidents will be via email this year to ensure delivery and not require individuals to pick up from the Clubs Office.

The club room remodeling work has been completed for the Bell Ceramics Club and this room has been reopened for club use.

MARKETING & COMMUNICATIONS:

Sun City Visitor & Welcome Center:

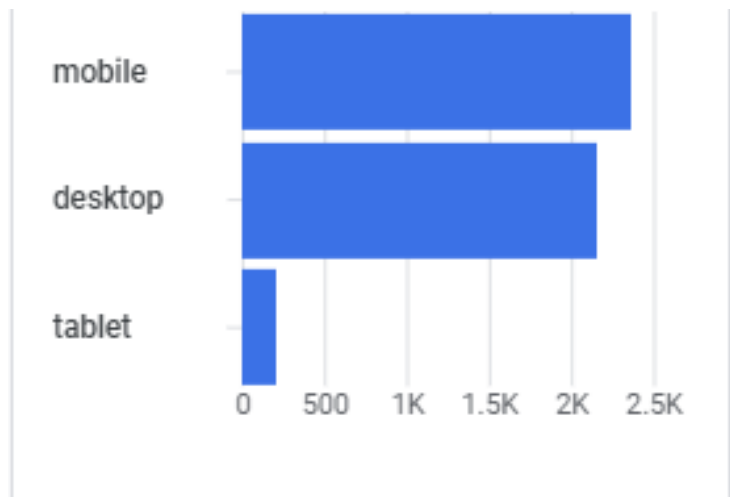
In August, the Sun City Visitor & Welcome Center saw 315 guests, and had the first *August* Sun City Experience (tour) in years, due to interest even during the hottest months by new or prospective residents. The team took time to review and update brochures and materials, and staff took advantage of the slow time for vacations – all in an effort to prepare for a busy fall. The team prepared for the soft launch of its new name, Sun City Visitor & Welcome

RCSC Management Report: September 28, 2023

Center and is preparing to transition paper welcome postcards to an electronic form that can be tracked for following up with new Members/Cardholders.

Website:

The Website continues to see growth, with a small increase in August visits in 2023 to 16,793 from 16,318 in August 2022. Top page hits remain the home page, the business (about us) landing page, recreation centers landing page, employment, golf, clubs and bowling. The analytics will be closely watched as the communications team works on Website updates that will modernize the back end of the Website and make important information easier to find. The trend continues toward more mobile devices being used to view and utilize the Website, as seen in the graphic below.



Social Media:

Facebook remains an active resource for residents to read and share news. Total followers in August ended at 4,593. Total readers including non-followers remains at roughly 30,000. New campaigns were launched in September to maintain engagement and look for new followers and growth on the page. The graphic below showcases the increase in reach and engagement during the past 90 days.

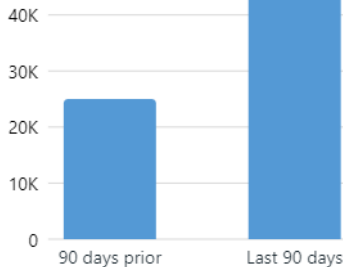
RCSC Management Report: September 28, 2023

Reach

Post reach ⓘ

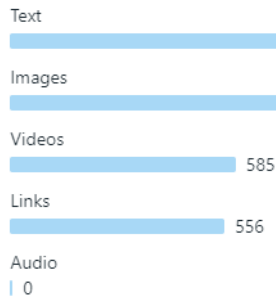
44.3K ↑ 77.1%

Total from last 90 days vs 90 days prior



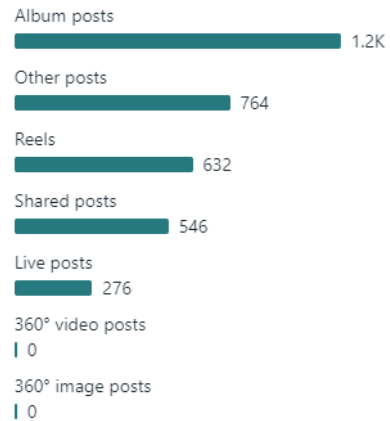
Median post reach per media type ⓘ

For posts created in the last 90 days



Median post reach per content format ⓘ

For posts created in the last 90 days

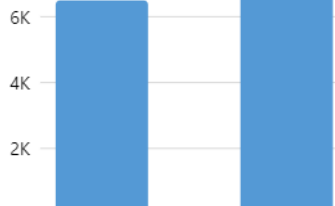


Engagement

Post reactions, comments and shares ⓘ

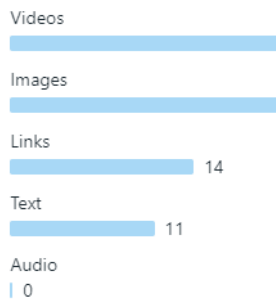
7.5K ↑ 16%

Total from last 90 days vs 90 days prior



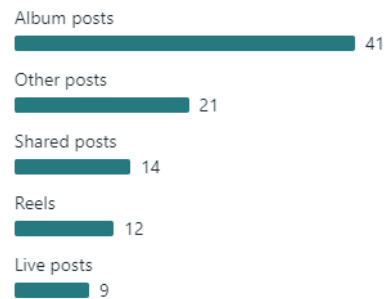
Median post reactions, comments and shares per media type ⓘ

For posts created in the last 90 days



Median post reactions, comments and shares per content format ⓘ

For posts created in the last 90 days



EVENTS:

RCSC has upgraded the ticketing sales and room reservation system. We have gone through extensive training on this new system and plan to have it up and running by Monday, October 9 – the date on which we will begin selling the 2024 Winter Series Season Passes. There are changes in pricing for both Season Passes and Individual Show Tickets that will benefit our RCSC Members and their escorted guests. RCSC Members and Privileged Cardholders may purchase the 2024 Concert Season Pass, all twelve shows, any seat section, for \$24 a seat, per show, for a total of \$288 per member with no transaction or service fees. Season Passes cannot be purchased for non-Cardholders or guests.

To bring you five original artists, show pricing is tiered for Individual Show Tickets according to the entertainer(s). The five performances showcasing the original recording artists will be \$30 per seat for members and \$35 per seat for the member’s guest(s). For Individual Show Tickets showcasing tribute artists, the ticket price for RCSC Members and/or Privileged Cardholders will be \$25 per seat for members and \$30 per seat for the member’s guest(s).

RCSC Management Report: September 28, 2023

The on-sale date for Season Passes only is Monday, October 9, 2023, at 8:00am. Season Passes may be purchased on-line at www.suncityaz.org; in person, at Sundial Auditorium located at 14801N 103rd Ave; or via phone at 623-561-4680, (you must speak to a live agent when purchasing by phone). The opportunity to purchase Season Passes will end November 10, 2023. Individual Show Tickets will go on sale Monday, November 13, 2023, at 8:00am up until the time of each individual show. We look forward to bringing to Sun City another exciting, top-notch concert series!

Our next event is scheduled for September 24th, at Sun Bowl Amphitheatre as we welcome Re-Boot The Band to kick off the fall concert series.

The “Grand Re-Opening” of Viewpoint Lake celebration for Wednesday, November 1, has been postponed due to uncertainty over the date the lake will be full, mainly due to the lack of rain this monsoon season. This event will be rescheduled for later in November to early December in conjunction with our Annual Boat Parade. Stay tuned for details.

Facility Rentals: There were 14 Facility rentals during the month of August 2023, grossing \$4,400 in rental revenue.
