

GENERAL MANAGER:

As you can see in the following pages, we are focused on putting the new Mission, Vision, and Values into practice. Spending time, attention, and resources where it makes sense, to improve as much as possible, as soon as possible, for the members, staff, and corporation.

We are hiring staff much closer to market rates, improving wages and salaries of current employees, to reduce turnover and increase satisfaction for everyone. Turnover is expensive in terms of dollars and results. We want results that translate into high quality service and attractive amenities allowing our vision to be realized and maintained.

MISSION

To maintain a financially sustainable corporation which provides our Members with a wide range of high quality amenities, recreational opportunities and social activities to enhance each participating Members sense of well being.

VISION

To be a national leader in 55+ socially active lifestyle communities.

VALUES

We are committed to making Members our highest priority and giving them high quality service.

We value our friendly and welcoming community and want to pass that along to future generations.

We value teamwork and each person's contribution to the community.

We maintain and improve amenities, operations, and infrastructure to modern, attractive, and environmentally friendly standards.

We believe data and technology should be harnessed to support health, safety, efficiency, and maintain the integrity of our decision process.

We plan for our future.

SUPPORT/FINANCE:

Financials:

The Recreation Centers of Sun City, Inc. ended December within its operating and capital budget year to date. All divisions except Facilities and Food & Beverage have met or exceeded their net operating budget projections year to date. Facilities is (\$13.0k) unfavorable due to \$27.5k being spent on workstation furniture and IT infrastructure for new Facilities headcount in 2024. Food & Beverage is (\$121.1k) unfavorable year to date due to food and liquor sales being negatively impacted by weather in Q1 2023 and Building and Equipment repairs at the cafes being (\$16.8k) over budget.

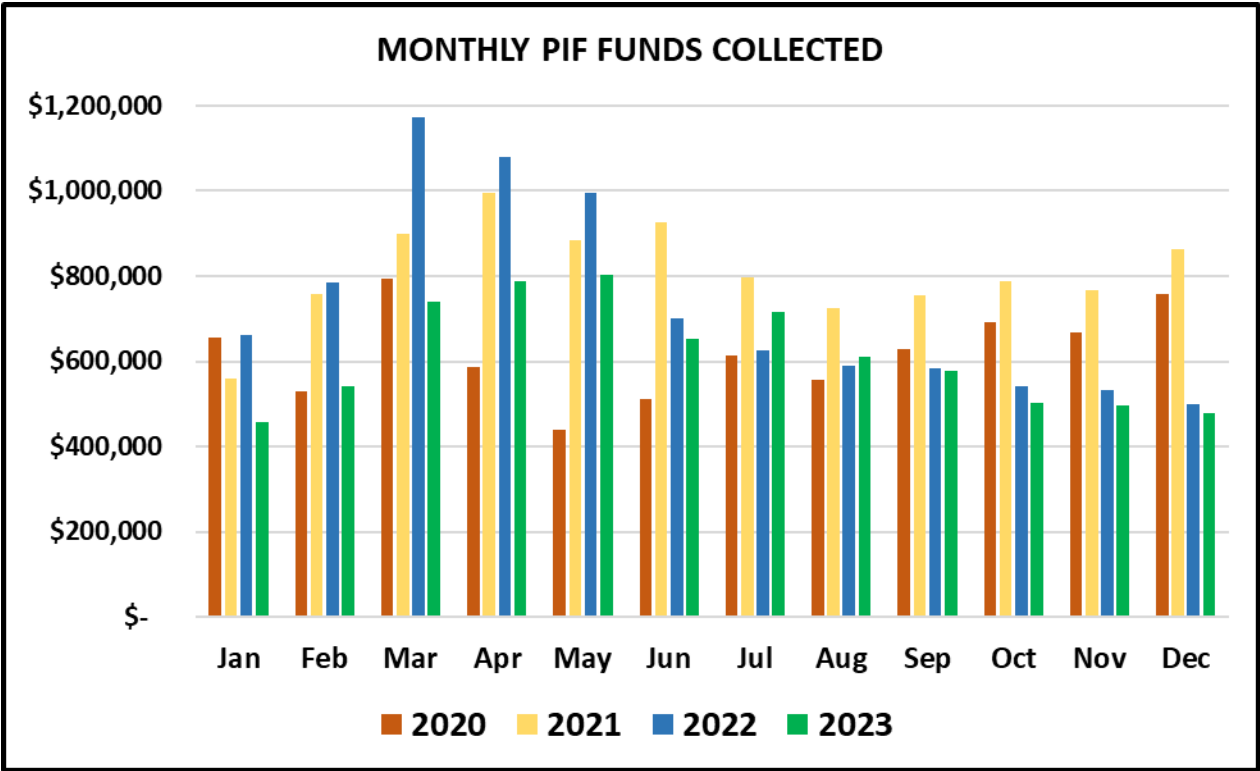
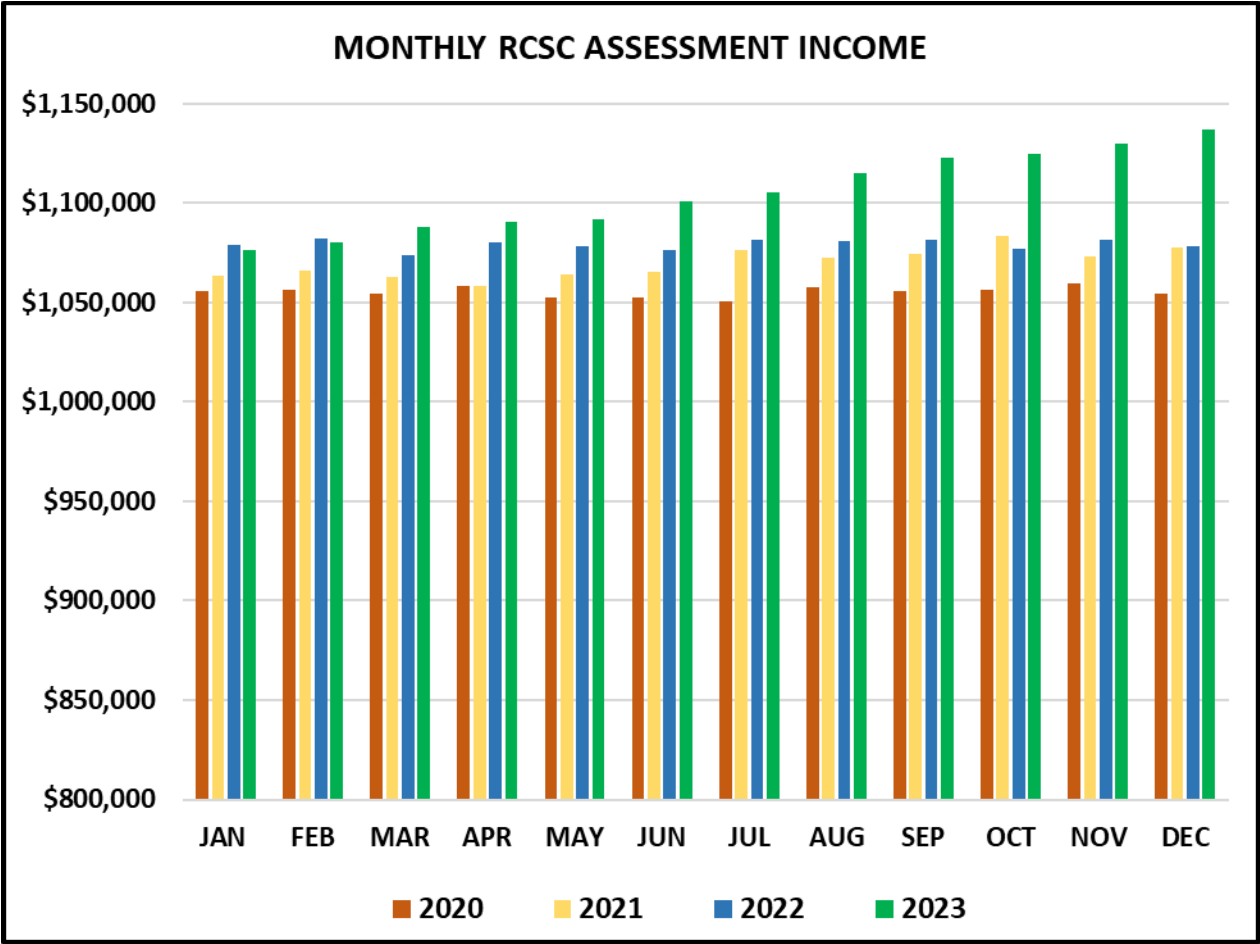
Operating income for December totaled \$2,235k and was \$150.6k favorable to budget due to Guest Golf fees and Property Assessments being \$34.0k and \$33.2k favorable to budget, respectively. Operating expenses for the month were \$2,361.2k and (\$229.3k) unfavorable due to utilities being (\$107.2k) unfavorable to budget, and Repairs & Maintenance being (\$110.4k) over budget. Year-end Net Operating Excess was \$2,465.2k and favorable to budget by \$185.4k (7.5%). This favorable year to date Operating Excess was due to Wages and Benefits being \$664.4k favorable to budget, offset by Repairs and Maintenance being (\$442.3k) over budget.

Cardholder Services:

Payments on past due assessments in December were 10.0% of past due balances. Overall accounts receivable increased in December by 5.4% and are up 4.2% since the end of 2022. Overall accounts receivable past due balances increased in December by 7.7%. November assessments went 30 days past due at a rate of 7.2% and October assessments went 60 days past due at a rate of 3.5%.

Payments from third party collections firms totaled \$14,952 in December, and total \$286,028 year to date. December payments made through the online Web Portal totaled \$154,937 from 304 property owners. Year to date online portal payments total \$2,250,921 from 4,572 property owners.

In December, property transfer balances increased by 1.1% to \$821.6k. This outstanding property transfer balance represents 51% of all receivables and 55% of past due balances. December trustee sale notices on Sun City AZ properties declined to 24, and properties owned by lending institutions increased to 2.



Information Technology:

In December, the Information Technology team received 85 new service requests, and closed 81 requests by month end, leaving 10 tickets remaining open. On average, IT closed service requests in less than one day in December. Year to date, IT has opened 986 tickets, and closed 976 tickets.

IT launched the new Wi-Fi environment at Lakeview, having installed a total of 27 new Wi-Fi access points, and provided dedicated Wi-Fi access points for each Club location. IT continued to prepare for the migration of applications and data from the old servers in the Warehouse to the new servers and storage devices in the upgraded Server Room at Lakeview. This migration is scheduled for mid-January and will continue into February. IT also completed wiring for the new employee workstations in the Facilities Department and worked with Facilities on cabling efforts for the Oakmont security project and the move of Clubs to Oakmont.

Human Resources:

Human Resources added 8 new requisitions during the month of December and filled 12 requisitions, ending the month with 5 open positions. Year to date, HR has opened 168 requisitions, and filled 170 open positions. The time-to fill requisition KPI in December was 13 days. HR scheduled January biometrics appointments for all full-time employees as part of the medical insurance renewal process. HR also finished processing all 2024 salary adjustments and benefits plan enrollment changes for the 2024 open enrollment process.

FACILITIES:

Projects:

In process:

Sun Bowl Softball Field Improvements (PIF) STATUS GREEN

- Budget \$1.38M. Total cost to date \$103,155
- Project began 11/27/2023
- Contractor – Robert E. Porter Construction
- Expected project duration – 6 months

Viewpoint Lake Repair (PIF) STATUS GREEN

- Budget \$8.0M Total cost to date \$7.3M
- Boat ramp opened for homeowner boat launches 11/11/2023
- Viewpoint Lake Reopening Celebration held on 12/15/2023
- Return of retention remaining to pay

Mountain View Rec Center Phases 1 and 2 Cancelled by Board

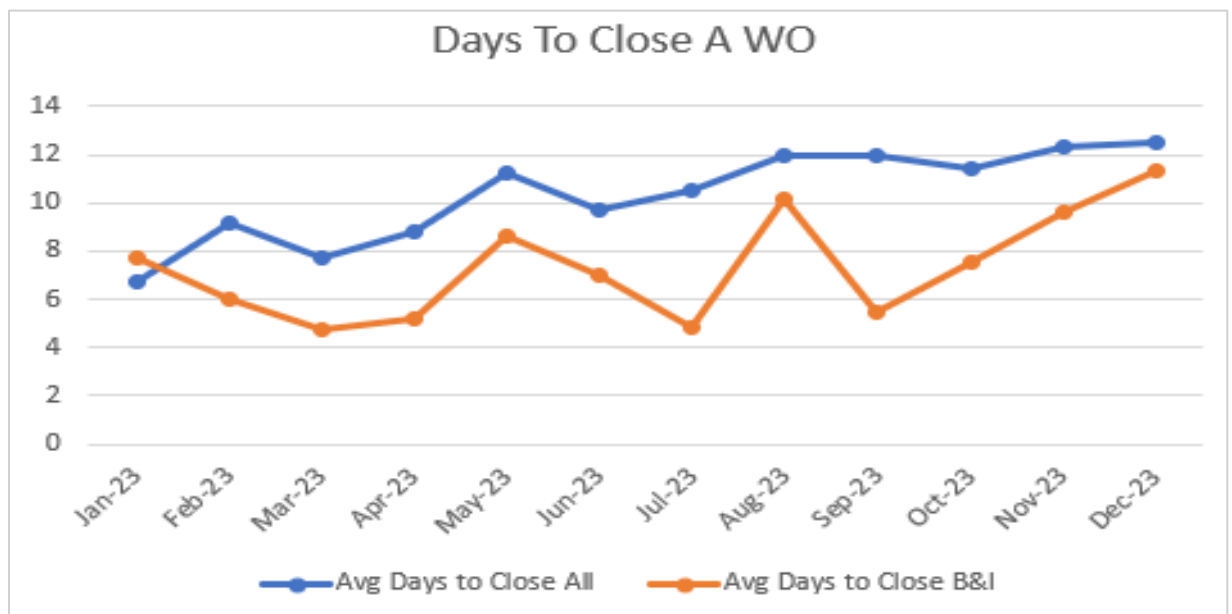
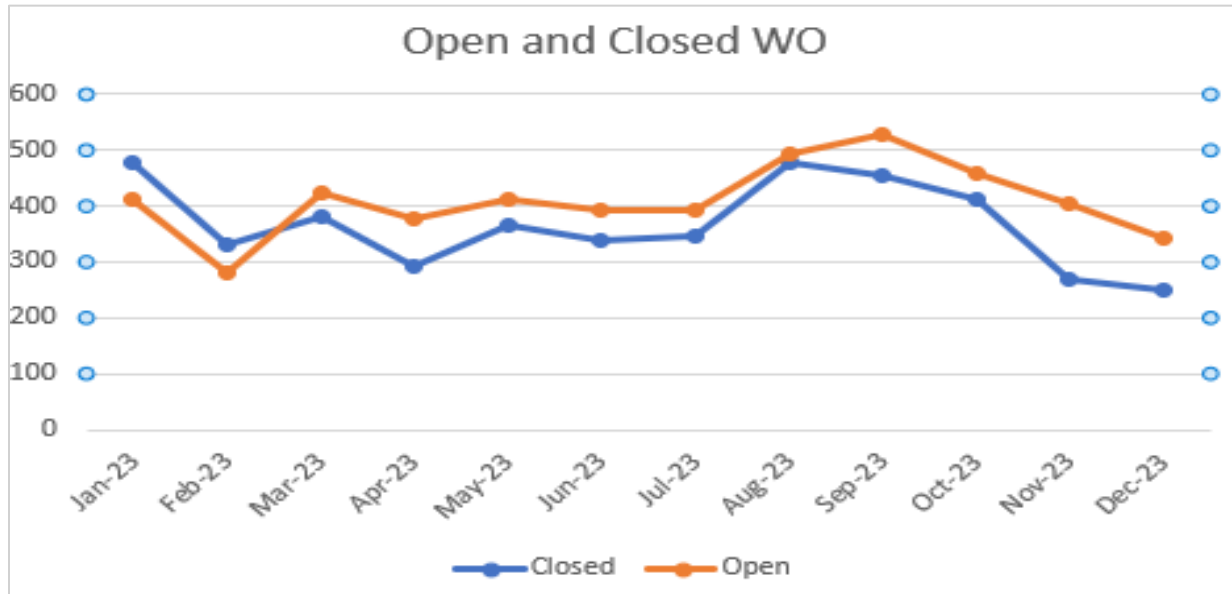
Recently Completed:

Lakeview Recreation Center

- Refinished both indoor spas with new rails and quartz finished. Project was completed 1/10/2024 at a cost of \$28,260. Contractor – Commercial Pool Repair

Work Orders (skilled trades repair & maintenance):

Facilities opened 341 new work orders and completed 250 work orders in December. The average time to close a work order in December was 12.5 days. Facilities has completed a total of 4,377 work orders in 2023.



CENTERS:

Winter is here, and attendance at the centers in the first quarter of the year is getting back to pre-covid levels. The staff at Sundial is very busy setting up and taking down several large and small events that are planned. A sample of a day with scheduled events:

Wednesday for the Winter Concert Series, staff sets up 1,250 chairs and a few tables.
Thursday morning all the tables and chairs are removed, and the area is set up for Line dancing which begins at 8:00 a.m. When dancing is done that afternoon staff sets up for BINGO, 750 chairs and approximately 140 tables are set up.
Friday morning BINGO set up is removed and set up begins for the Friday night dance and club activities taking place that day and throughout the weekend.

Working at Sundial is very labor-intensive, and the staff does an exceptional job completing the work that needs to be done to meet the needs of the Community.

Viewpoint Lake is filled and back in operation. The facility attendants at the Lakeview mini-golf check in station are very busy this time of year. When the weather is nice, it is not unusual to see several fishermen on the shore, many people walking the park, all 18 holes on the mini-golf course with people playing, and all four paddleboats and a rowboat out on the lake. The facility attendants keep track of all these people.

At Marinette, custodial staff are finishing a project that began May 2023. One individual designed and built a device that was used to re-strap the pool chairs and chaise loungers that were deteriorating and went throughout the other centers checking on the chairs as well. There were 150-200 loungers and chairs that were re-strapped. Due to his ingenuity and perseverance, the RCSC saved much time and money from his work.

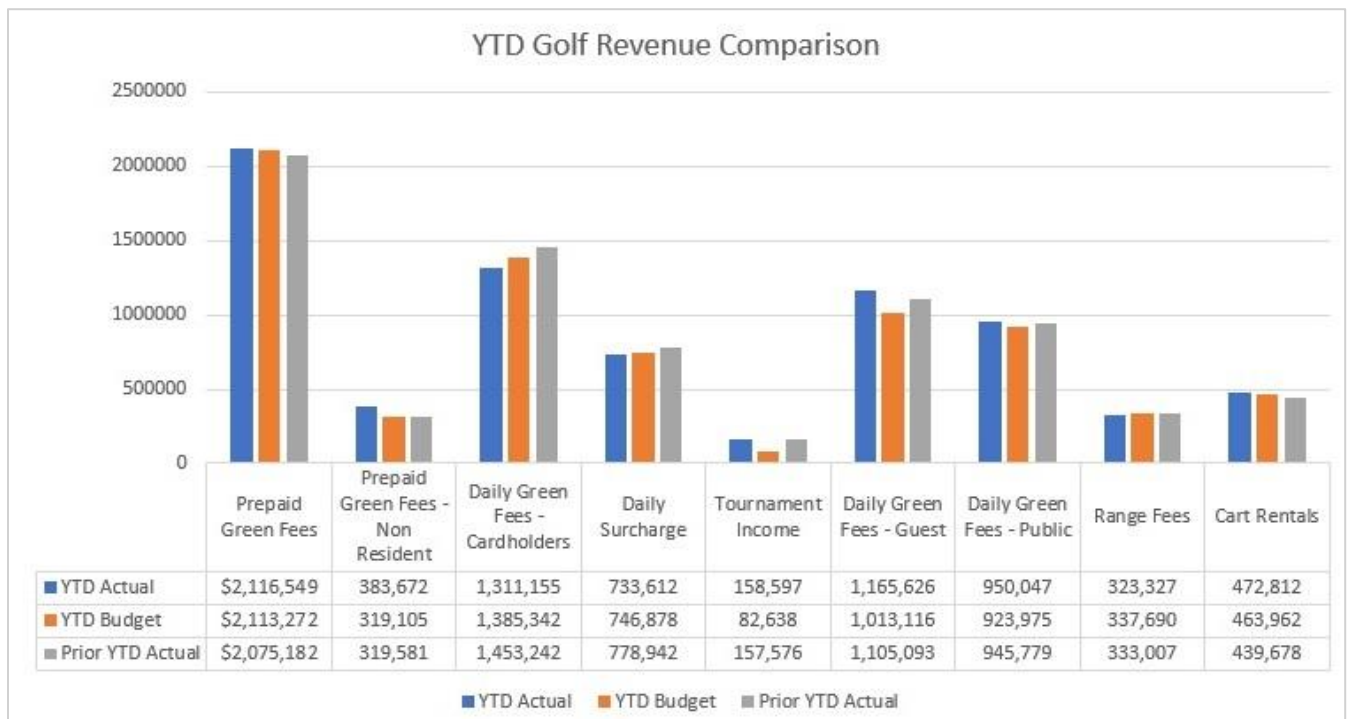
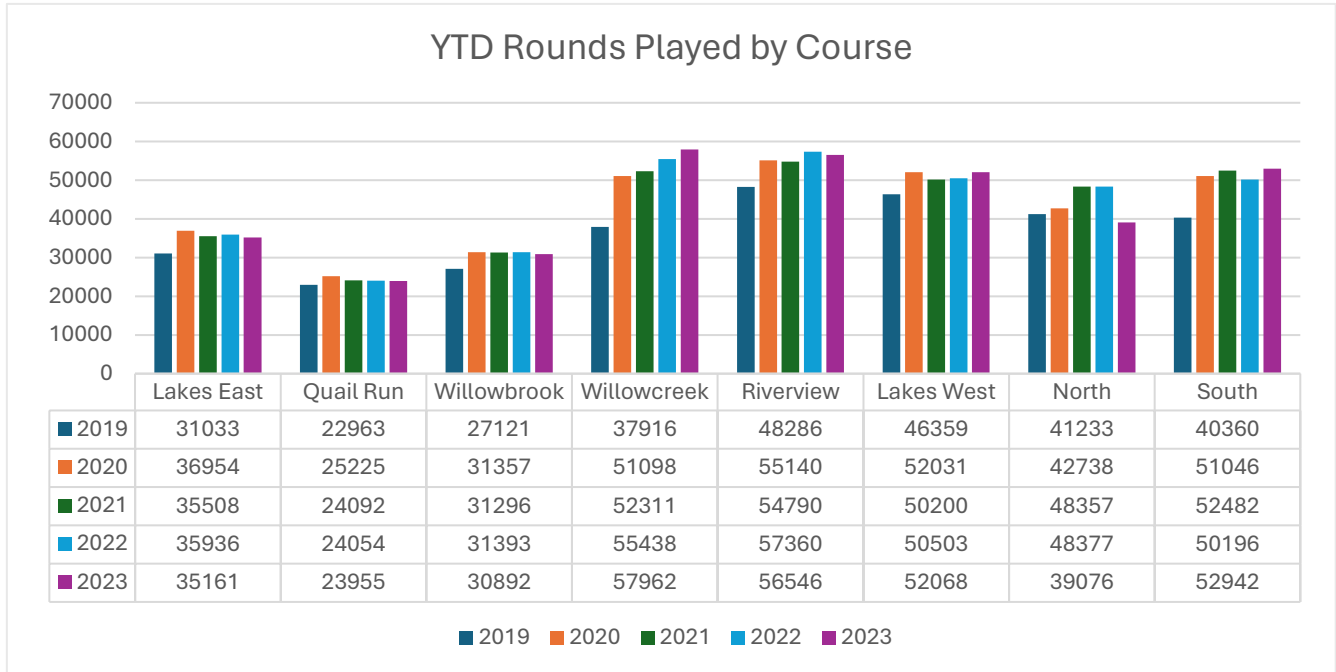
GOLF:

Superintendent Update:

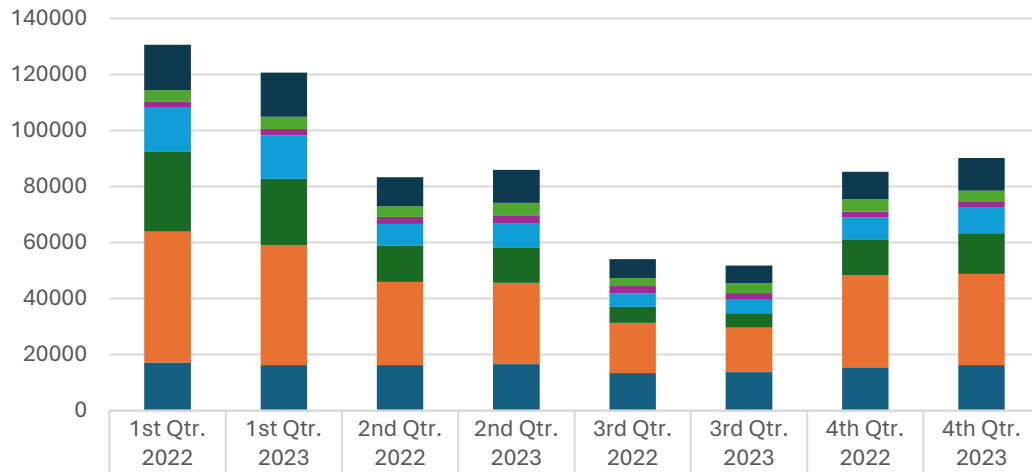
The preliminary aerification/overseed schedule was presented to the Golf Advisory Committee this month. We will continue our practice of a single, more aggressive aerification. We will also continue to solid tine aerify more frequently. Solid tines do not impact the green surface to the extent of hollow tines and do not require course closures. Fairway verticutting will begin at the end of April and in two-day blocks. As the Lakes East and North 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 the Golf Advisory were asked to review the schedule with course committees, to resolve any conflicts ahead of time. We are giving consideration to the request to close courses for a longer period of time in the summer and combine our aerification

events. We are not planning to skip the overseed process on any course next year, except for Quail Run. The timing of the 2025 irrigation project will determine the viability of overseeding Quail Run for the 2024/25 golf season.

PRO SHOPS



YTD Rounds Comparisons by Quarter



	1st Qtr. 2022	1st Qtr. 2023	2nd Qtr. 2022	2nd Qtr. 2023	3rd Qtr. 2022	3rd Qtr. 2023	4th Qtr. 2022	4th Qtr. 2023
Public - 18 Hole	16152	15677	10453	11774	6694	6295	9810	11640
Non Resident no fee	4049	4398	3697	4454	2929	3554	4390	3782
Staff	2270	2272	2538	2910	2558	2451	2173	2299
Guest	15475	15562	7729	8511	4792	4810	7719	9118
Cardholder Daily	28756	23728	12966	12640	5776	5141	12835	14481
Annual fee	46730	42700	29747	29096	17844	15865	32804	32524
Annual no fee	17137	16299	16238	16569	13466	13740	15530	16312

■ Annual no fee ■ Annual fee ■ Cardholder Daily ■ Guest ■ Staff ■ Non Resident no fee ■ Public - 18 Hole

- 18.05% of total rounds played by Annual (Resident) No Fee Passholders YTD
- 34.48% of total rounds played by Annual Surcharge Passholders YTD
- 16.06% of total rounds played by Resident Cardholders YTD
- 4.64% of total rounds played by Annual (Non-Resident) Passholders YTD
- 13.02% of total rounds played by Public Golfers YTD
- 10.90% of total rounds played by Guests
- 2.85% of total rounds played by Staff

March 7, Lakes East/Lakes West will be hosting the annual Teal Ribbon Tournament. The event is open to ladies and men and no handicap is required. It is a 9-hole event with a 9:30 am shotgun start, and lunch follows play at Sundial. The proceeds benefit the University of Arizona Cancer Center for Ovarian Cancer research. The entry fee is \$35/per person, entry forms may be picked up and turned in to any pro-shop.

In December we began a formal tracking of our “bump-rate” (those golfers requesting a tee time through the lottery that were unsuccessful), to gauge the effectiveness of our changes to free up tee times.

Lawn Bowl & Grounds:

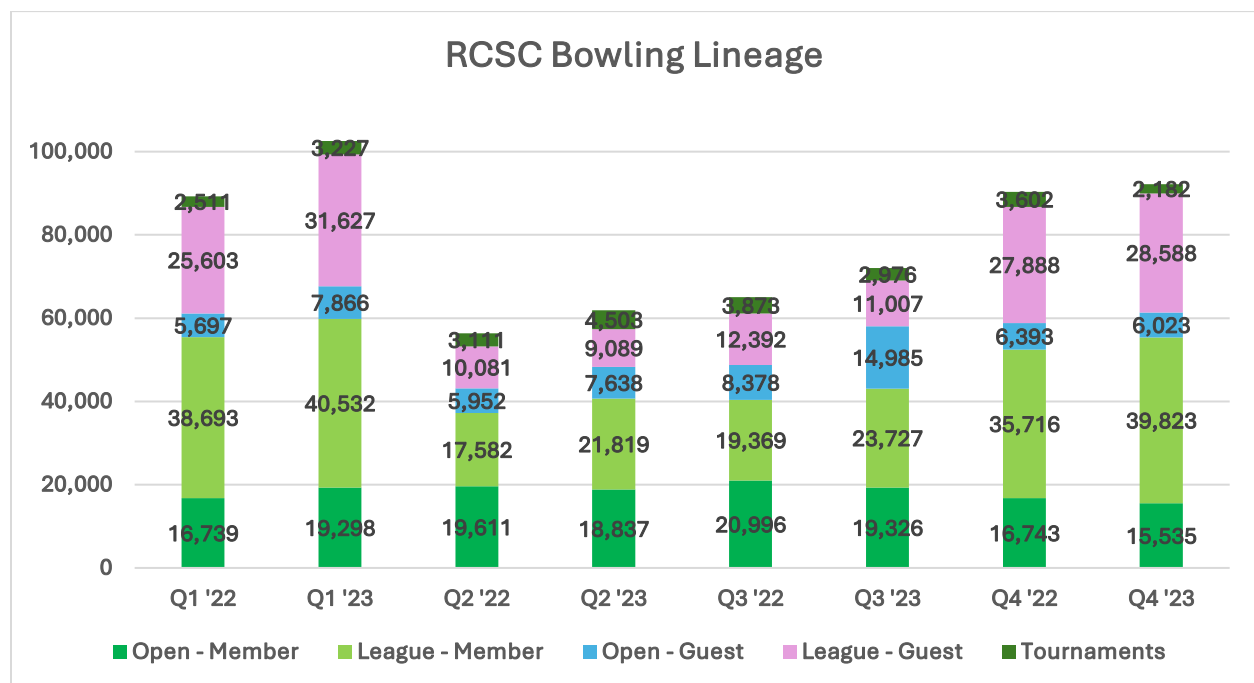
Green speeds range from a low of 12.8 seconds at Mountain View to a high of 14.5 seconds at Bell North. Moisture readings range from a low of 8.2 at Bell North to a high of 12.8 at Mountain View. The lawn bowl greens were being mowed once per week, and the “Billy Goat” is being used once per week to clean the greens.

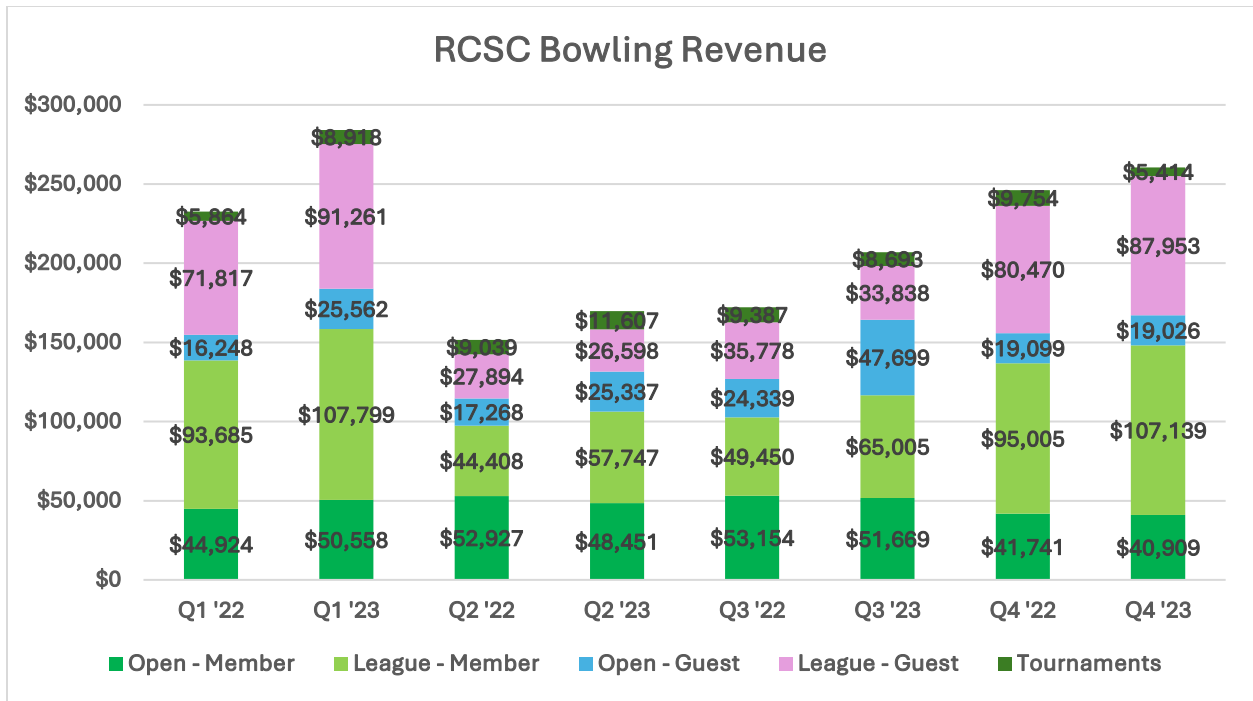
The softball field is being mowed twice per week and the infield is graded four times per week. The grounds team is in the process of installing a rock buffer at Lake View to better control the amount of irrigation runoff that reaches the parking lot.

BOWLING:

December 2023 Bowling lineage totaled 30,365 compared to 30,723 in December 2022 a decrease of 1%. Year to date lineage through December 2023 totaled 336,346 lines compared to 307,608 in December 2022, an increase of 9%.

December 2023 saw an increase of \$84,115 a 2% in bowling revenue, compared to the same time in 2022 at \$82,561. Year to date, 2023 revenue was \$921,184 or 15% greater than 2022.





Clubs & Activities:

In December, Clubs & Activities successfully hosted the Holiday Celebration, Grand Re-Opening of Viewpoint Lake, and the Holiday Spectacular Concert. The Concert ended with a standing ovation for the entertainment on stage.

The Sundial Concerts take place every Wednesday night through March 27, with doors opening at 5 pm and the show starting at 6 pm. Tickets are available for purchase at the ticket office at Sundial, or online under Events on the suncity.org website. Sunday nights at Sun Bowl begin in March, more details will soon be on the website.

The RCSC Performance Arts Clubs brought the holiday spirit to the community with their winter concerts. Community Orchestra and Concert Band shared their musical talents along with the beautiful voices of the Women’s Chorus. Along with the community events, many of the clubs held their club holiday celebrations for their members. The Country Dance Club closed the year with a New Years Dance at the Sundial Center.

COMMUNICATION:

In December, the Communications team worked with department directors and managers, as well as community organizations to bring to life General Manager Matthew D’Luzansky’s vision of a comprehensive January “Happy New Year” edition of the Sun City Update, formerly known as the SunViews. The goal of this edition was to reach every residence, helping to be transparent about the coming year’s plans, provide education about the work that RCSC does, and connect residents to other partner organizations, from sheriff and fire to the Sun City Homeowners Association. In a beautiful showing of community support, volunteers from clubs, employees, residents, and partner organizations helped to prepare and deliver the edition to every Sun City home, and to partner organizations that shared in this as well.

The newspaper will continue as a monthly edition available at recreation centers again beginning in February, as longer-term communications plans continue to be developed.

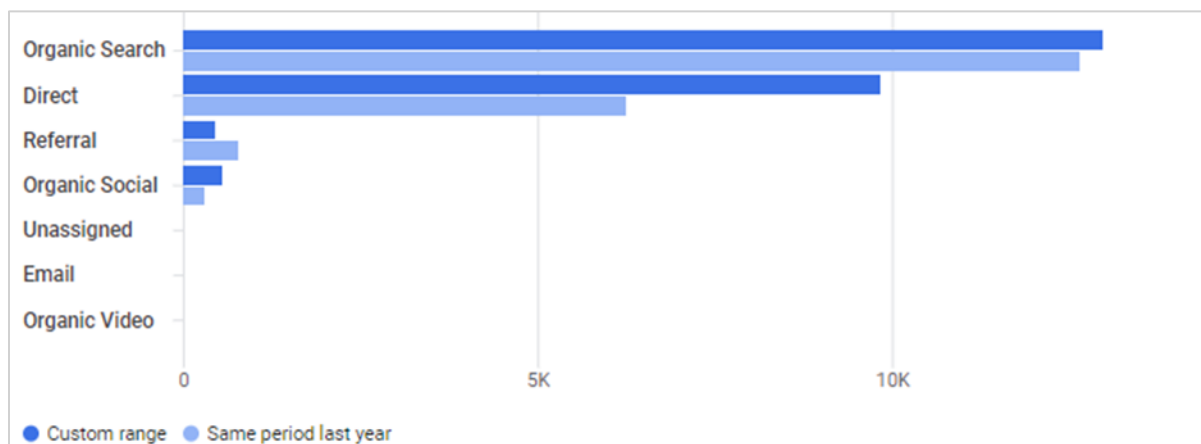
Website Analytics:

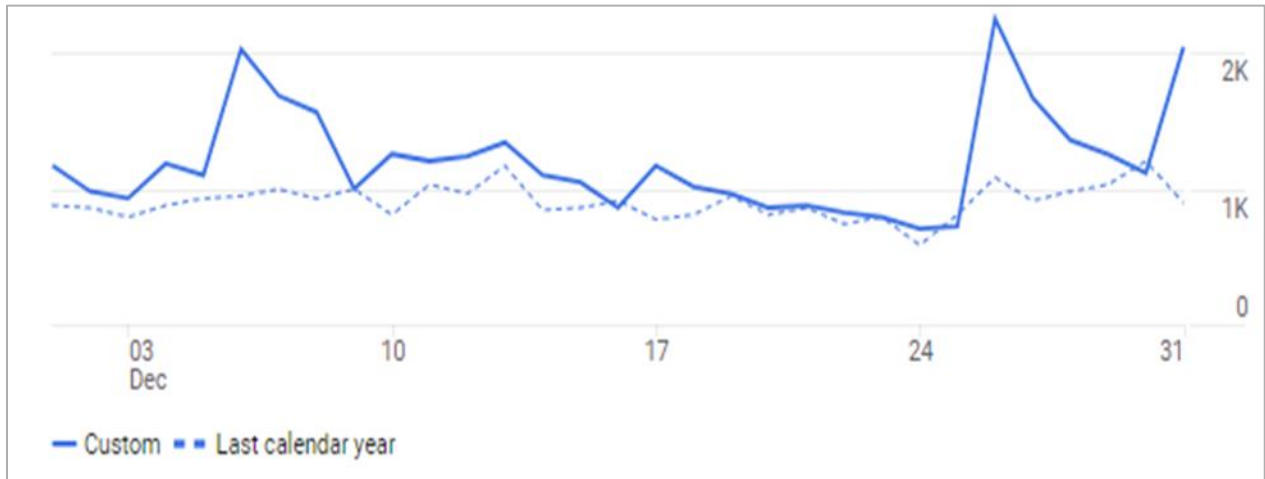
December saw an increase in visits to the website from 22,144 to 27,922 (an increase of 5,778). Due to efforts to draw guests to the website via eblasts and links, the total of visits directly to our page increased by 66%, to 11,154. Organic searches can be improved with continued SEO efforts.

Top pages for visits:

Home Page	17,000
News page/Info Center	3,900
Golf Courses & Pro Shops	3,700
RCSC (About Us)	3,500
Rec Centers Landing Page	2,700

The graphics below show the increases in visits to the website year to year, as well as in direct visits from eblasts/emails sending members and cardholders to our page. Efforts to make immediate improvements to SEO on the website as well as on Google by Business pages will work toward increasing SEO and organic searches.





<u>SESSION DEFAULT CHANNEL GROUP</u>		<u>SESSIONS</u>
Organic Search	27K	↑ 21.0%
Direct	18K	↑ 73.6%
Referral	1.6K	↑ 6.0%
Organic Social	769	↑ 69.4%
Unassigned	366	↑ 96.8%
Email	6	↓ 33.3%
Organic Video	4	↑ 100.0%

Welcome Center:

The Sun City Welcome Center had 409 visitors in December, primarily current members seeking to be involved in more activities, but also a couple dozen prospective residents. The most common interests given during visits to the Welcome Center by prospective residents were swimming, theater, card games, BINGO, arts & crafts, lifelong learning, reading & book clubs, walking woodworking, golf and pickleball.

The Welcome Center continues to reach out to connect with new as well as current members, to ensure everyone is enjoying and understands all the activities available. New brochures are being developed and will be provided to all the centers. As we move into the new year, visits have increased, and our Sun City Experience presentation/tour is weekly on Wednesday's or Thursday's. More residents are beginning to visit during our Tuesday "late" hour days, when we are open until 6 p.m., rather than our usual close time of 4 p.m.