

RCSC Management Report: July 29, 2024

FINANCE:

Financials:

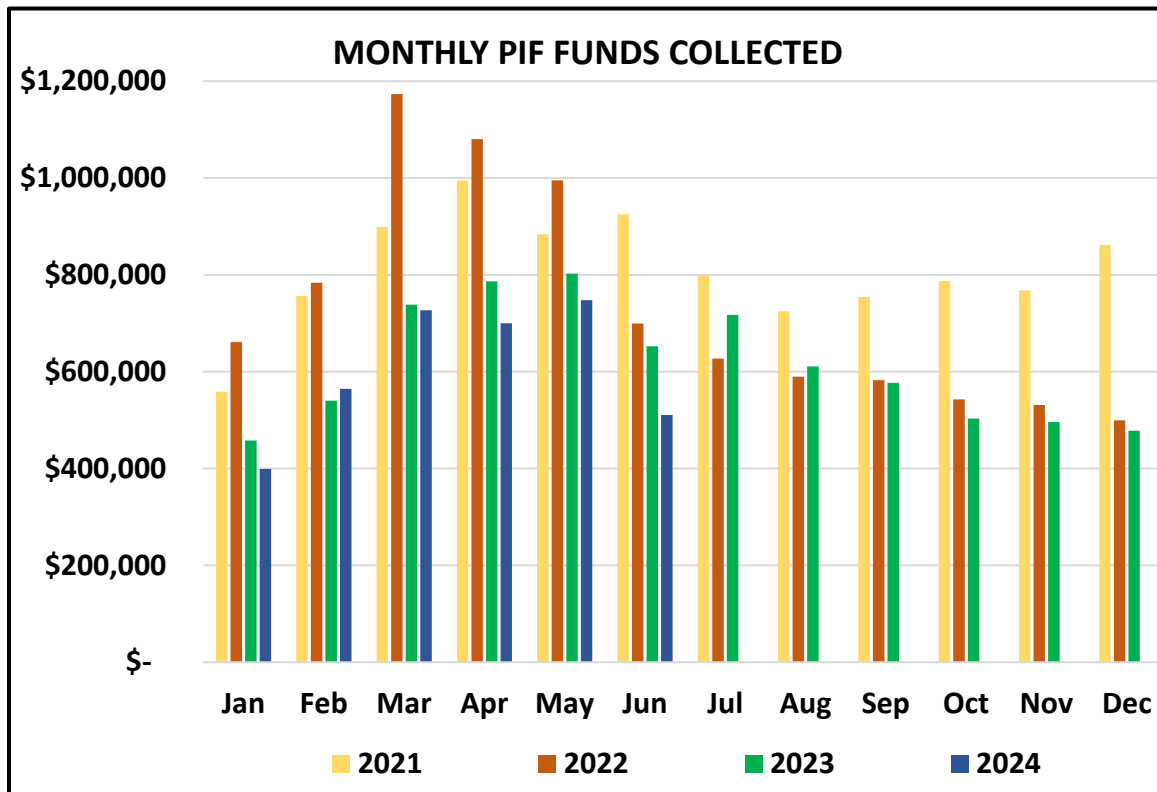
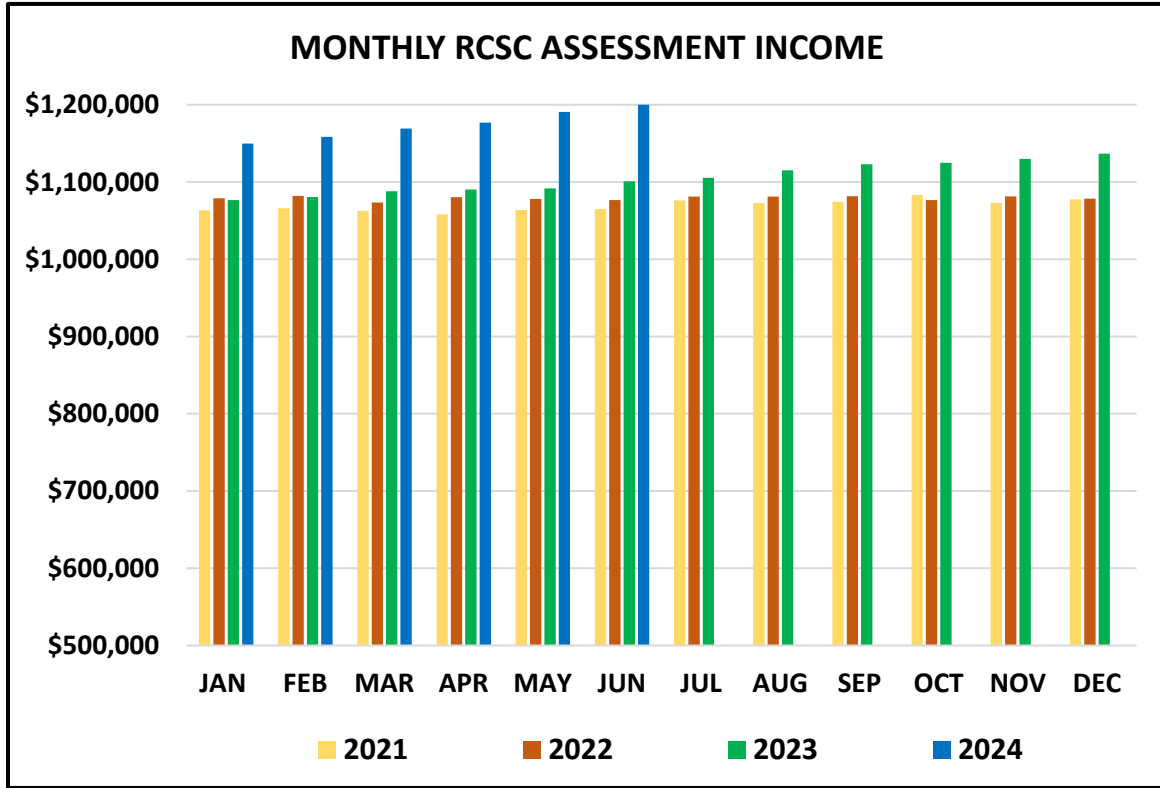
The Recreation Centers of Sun City, Inc. (RCSC) ended June within its capital budget year to date. RCSC ended the month of June with a Net Excess from Operations of \$1,298k but this Excess was (\$65.9k) below budget. All Divisions except Golf have met or exceeded their net operating budget projections year-to-date. Golf has generated a year-to-date net operating excess of \$607k but is (\$579k) unfavorable to budget. Golf Revenue is (\$213.1k) under budget due to Daily Public and Cardholder Green Fees below budget by (\$84.9k) and (\$41.0k), respectively, and Non-Resident Pass fees (\$47.3k) below budget. Golf Operating Expenses were (\$410.6k) over budget due to Tree Trimming being (\$162.6k) unfavorable, Wages and Benefits (\$53.2k) unfavorable, and Equipment / Sprinkler Repair Parts being (\$42.2k) and (\$35.5k) unfavorable, respectively. Total Operating Income for June totaled \$1,854k and was (\$52.5k) unfavorable to budget due to Assessment Income (\$16.4k) below budget, and Transfer Fees (\$11.8k) under budget. Operating Expenses for the month were \$2,103.4k and (\$138.1k) unfavorable to budget due primarily to Sprinkler Parts (\$22.5k) over budget, and Furniture / Equipment expenses (\$19.6k) and (\$12.2k) unfavorable, respectively. Year to date Net Operating Excess was \$1,297.9k and unfavorable to budget by (\$65.9k). This unfavorable year to date Operating Excess was due primarily to Income being (\$297.8k) under budget, offset partially by Wages being favorable to budget by \$221.1k.

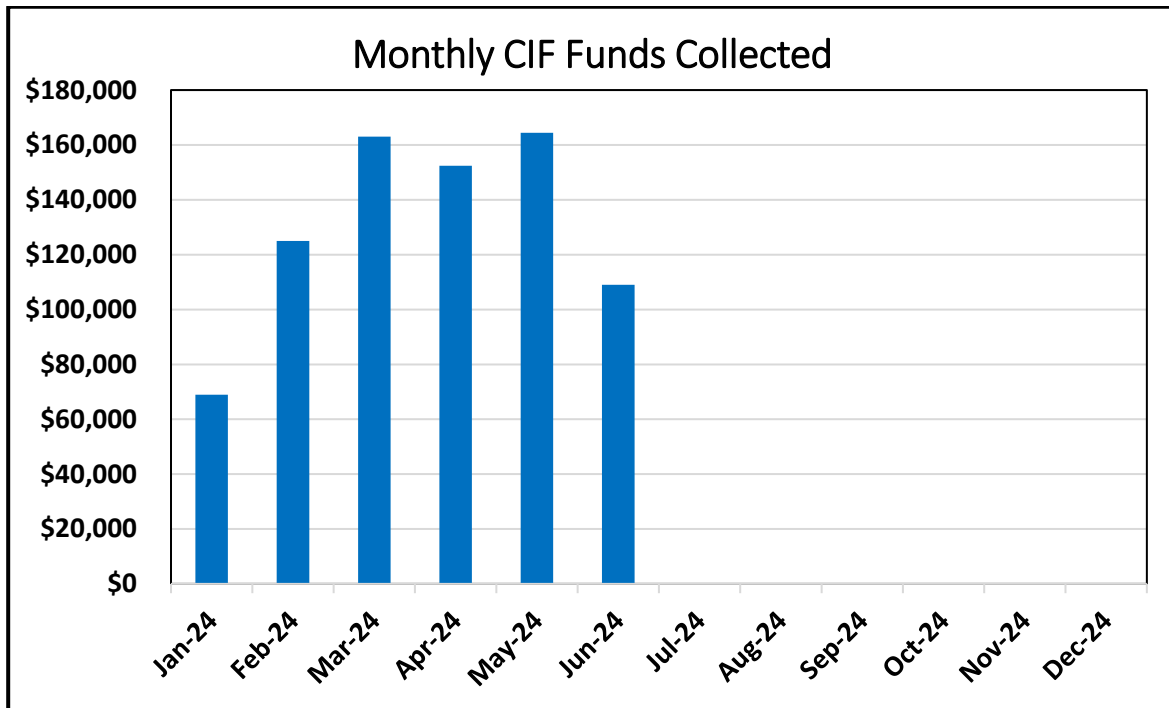
Cardholder Services:

Payments on past due assessments in June were 12.7% of past due balances. Overall accounts receivable increased in the month by 5.2% and are up 11.5% from the end of 2023. Overall accounts receivable for past-due balances increased in June by 2.1%. May assessments went 30 days past due at a rate of 5.6% and April assessments went 60 days past due at a rate of 1.8%.

Payments from third-party collections firms totaled \$30,426 in June and totaled \$167,150 year to date. June payments made through the online Web Portal totaled \$258,211 from 462 property owners. Year to date online portal payments total \$1,607,225 from 2,929 property owners.

In June, property transfer balances increased by (8.0%). Outstanding balances related to property transfers represent 54% of all receivables and 53% of past due balances. June trustee sale notices on Sun City AZ properties decreased from 28 to 26, and properties owned by lending institutions remained at 1.





Purchasing:

Contracts: In June, Purchasing continued to draft and execute MSA agreements and Service agreements with key vendors of RCSC. Three Master Service Agreements (MSAs) were drafted and sent to suppliers, and we received one fully executed MSA back. Four general service agreements were drafted and sent out to suppliers, with two being fully executed this month. Leases for the massage room spaces at RCSC have been either renewed, or extensions have been processed. Available space is being communicated by the communications team.

Policies and procedures: As part of the broader Integrated Process Excellence (IPE) project, Purchasing has been drafting key procurement procedures along with process maps. Purchasing will continue to work with Facilities and other cost centers to collaborate on how we can improve and streamline our procurement efforts at RCSC.

Other accomplishments: Purchasing has begun a search for a software solution to better track and renew vendor Certificates of Insurance (COIs) and is working with Facilities to streamline our new vendor qualification procedures. Purchasing has identified RCSC’s major suppliers and is researching whether they qualify for Arizona Co-op pricing (potential or actual discounts).

Safety & Compliance:

In June 2024, the Safety and Compliance Department focused on enhancing safety protocols and infrastructure at RCSC. Key accomplishments included hiring a Safety Technical Specialist starting on July 30, forming a monthly-meeting Safety Committee to oversee and improve safety practices, and preparing for the Avigilon Server Access Control Manager migration. The

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implementation of the SafetyPlusWeb software will begin in July to streamline safety compliance and incident reporting. Ongoing projects like heat safety measures, security camera improvements, and the new all-in-one badge system for access control are progressing well. These efforts reflect our commitment to maintaining a safe and healthy environment for all RCSC members and employees.

Incident Reports investigated this month: 48. Year-to-date: 259

Customer Inquiries responded to this month: 23. Year-to-date: 844

Human Resources:

Human Resources opened 20 requisitions during the month of June and filled 18 requisitions, ending the month with 7 open positions. Year-to-date, HR has opened 91 requisitions and filled 93 open positions. The time-to fill requisition KPI in June was 6.6 days. The June 2024 Turnover rate was 1.1%, and the year-to-date annualized Turnover was 32.8%. This rate is slightly below the 35.1% year-to-date annualized Turnover rate as of June 2023. Of the 77 individuals who terminated in the first half of 2024, 29 employees (38%) left for reasons we consider “controllable”, including poor work performance, better pay/benefits, poor attendance, and job dissatisfaction. The remaining 48 terminated employees (62%) left for reasons that were “uncontrollable”, including personal reasons not related to the job, health reasons, retirement, deceased, and moving.

Information Technology:

In June, the Information Technology team received 86 new service requests, and closed 86 requests by month end, leaving 7 tickets remaining open. On average, IT closed service requests in less than one day in June. Year to date, IT has opened 613 tickets, and closed 616 tickets.

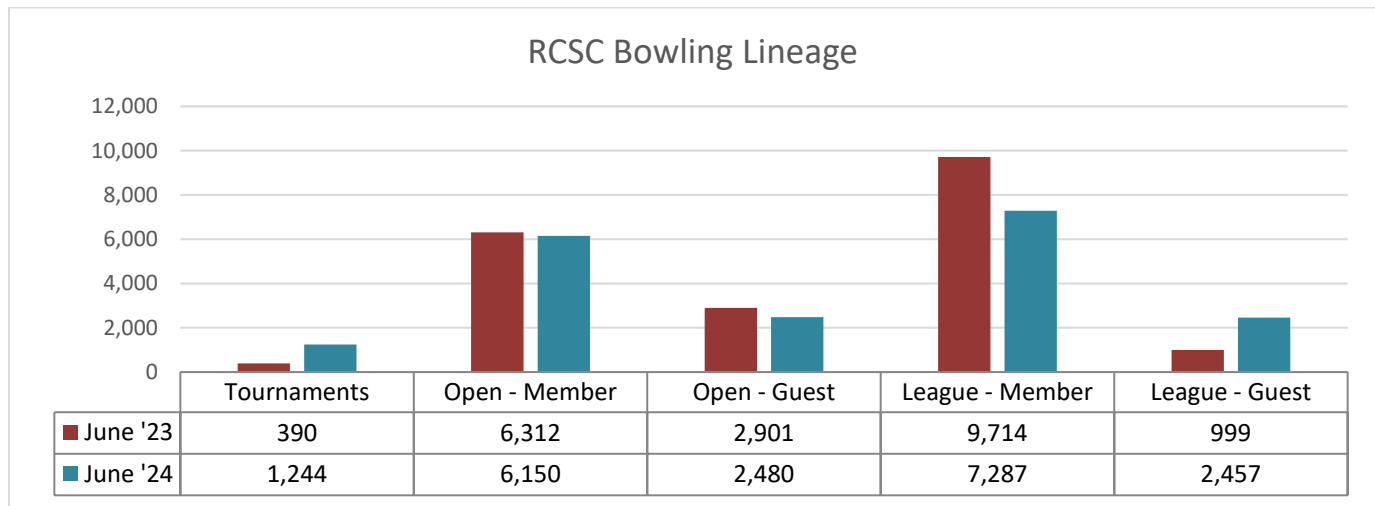
The Cox fiber installation permits are at Maricopa for review and approval, with an estimated time to install of September 2024. The Mountain View Rec Center has been updated to SDWAN, and due to this upgrade, we were able to upgrade the computers at this facility. The Fairway FA station move has been completed. Installation and replacement of all networking equipment within RCSC is 60% complete, and will be 100% complete by Dec.

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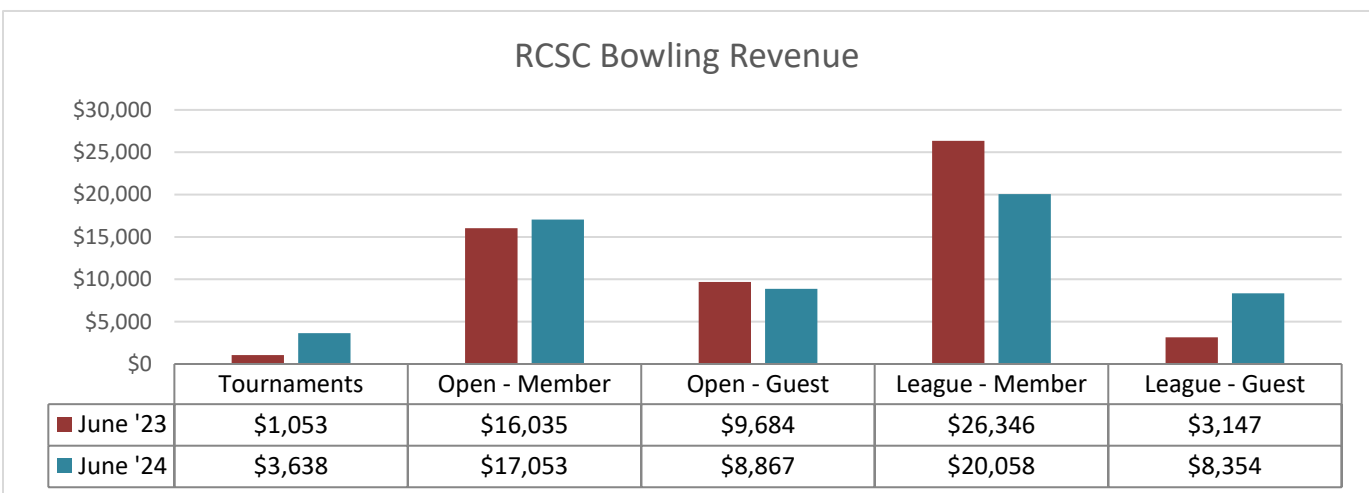
NON-GOLF:

Bowling:

In June 2024, bowling lineage reached 20,614, a 2% decrease from the 20,983 recorded in June 2023. However, the year-to-date lineage through June 2024 was 172,690, a 3% increase compared to 167,602 by the same time in 2023. The monthly decline in league bowling is attributed to having one fewer Friday in June this year compared to last year.



In June 2024, bowling revenue was \$57,969, a 3% increase from June 2023's revenue of \$56,265. Year-to-date, bowling revenue for 2024 stands at \$486,107, which is 7% higher than the total revenue through June 2023.



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ACTIVITIES:

Media Studio Update:

The following tasks are in progress for the new media studio:

- Wireless setups have been assembled
- TVs are being installed
- A tour of the SCW Radio Station is planned
- Music playlists are being compiled
- Equipment has been procured
- A programming schedule is being developed
- Videos and photos are continuously being compiled
- Feature clips on centers are being created
- Conversations with town historians are ongoing
- Event videos and photos are being incorporated into slideshows
- Communication with other departments has improved
- Necessary items are being moved from upstairs to the studio downstairs
- Conversations are ongoing with volunteers who are sharing their knowledge.

Entertainment and Rentals:

The following updates are in progress for events and reservations:

- A full schedule of summer events is currently underway.
- Rental appointments and phone calls remain busy.
- Regular communication with the Accounting Department is maintained for processing refunds and other rental-related matters.
- Movie schedules for the upcoming months are being monitored for any availability changes.
- Sun Bowl concert bookings for Spring and Autumn of 2025 are almost complete.
- Summer event bookings for 2025 have begun.
- The "Ring that Bell" event on July 4th was a complete success.

Communications:

In June, 331 people visited the Welcome Center, bringing the total number of visitors to 3,996 for the first half of the year. Our volunteers contributed 203 hours of service.

We track the states our visitors, callers, and emailers come from. In June, we had traffic from thirty-six states, with the most visitors coming from Arizona, followed by Washington and Wisconsin.

Year-to-date, 42.4% of our visitors indicated they plan to relocate within the next year, and 59.4% said they intend to live here full-time. Among our visitors, 30.2% heard about us from our website, 27% from friends, and 25.4% from family. Additionally, 50.65% of our visitors were in the 60-69 age group, and 70% said they are retired.

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The aspects visitors liked most about Sun City were our amenities (29.9%), the weather (15.6%), and the lifestyle (13.0%). Among our amenities, walking was the most popular, followed closely by swimming, and fitness activities came in third.

Clubs:

The club's team is currently entering 2025 reservations into the system. The office is using IPE to streamline club office processes for greater efficiency. June club member attendance sheets have been received and processed. Reminder emails have been sent to clubs that have not yet submitted their attendance sheets.

Centers:

USAGE BY CENTER	JAN	FEB	MAR	APR	MAY	JUNE	TOTAL
BELL	23,335	27,732	30,512	31,182	23,151	27,686	163,598
FAIRWAY	18,994	18,620	19,439	19,861	20,064	21,688	118,666
LAKEVIEW	10,129	14,061	17,081	13,036	10,810	7,846	72,963
MOUNTAIN VIEW	4,003	4,090	6,545	6,203	4,758	3,481	29,080
MARINETTE	17,278	18,369	19,496	20,589	11,822	11,541	99,095
OAKMONT	3,119	3,302	4,365	4,182	4,767	4,406	24,141
SUNDIAL	19,239	17,703	17,990	13,470	11,804	9,319	89,525
TOTAL CENTER USAGE	96,097	103,877	115,428	108,523	87,176	85,967	597,068

USAGE SUMMARY BY ACTIVITY	JAN	FEB	MAR	APR	MAY	JUNE	TOTAL
BASKETBALL	31	61	106	31	12	18	259
BILLIARDS	2,795	2,607	2,733	2,441	2,188	2,111	14,875
BOATS, PEDAL & ROW	587	1,109	1,435	948	406	130	4,615
BOCCIE (open)	255	206	290	116	17	12	896
DARTS	783	833	928	750	616	643	4,553
FISHING	289	191	113	76	98	89	856
FITNESS	36,395	34,847	34,557	31,275	27,379	26,500	190,953
WHISPERBALL/RACQUETBALL	322	323	351	270	216	261	1,743
HORSESHOES	120	135	80	25	5	-	365
MINI GOLF	4,317	6,411	8,568	4,760	1,999	802	26,857
PICKLEBALL	10,362	11,240	11,265	13,007	4,897	3,484	54,255
POOLS, SWIMMING	12,704	14,306	20,065	20,085	21,190	20,981	109,331
POOLS, WALKING	3,126	5,466	6,920	11,128	9,581	13,495	49,716
POOLS, WARM WATER	2,296	2,493	2,086	2,029	1,488	1,133	11,525
SHUFFLEBOARD (open)	794	868	940	569	487	583	4,241
SPA, INDOOR	4,245	4,008	3,784	2,976	2,669	1,865	19,547
SPA, OUTDOOR	4,212	6,080	6,812	7,622	4,045	5,027	33,798
TABLE TENNIS	841	800	904	757	749	635	4,686
TENNIS COURTS	1,119	1,136	1,233	1,004	753	407	5,652
WALKING, INDOOR	5,579	4,676	4,682	4,810	5,448	6,577	31,772
WALKING, OUTDOOR	4,925	6,529	7,576	4,034	2,933	1,214	27,211
TOTAL CENTER USAGE	96,097	104,325	115,428	108,713	87,176	85,967	597,706

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FACILITIES:

Projects:

In Process:

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

- RFP for architectural services yielded 4 proposals, 05/15/24

Sun Bowl Softball Field Improvements (PIF) Status: Green

- Budget: \$1.38M. Total Cost to date: \$1.15M
- Project commenced 11/27/23
- Contractor is Robert E Porter Construction
- Project approved by Maricopa County with a Certificate of Occupancy on May 20

Recently Completed:

Bell Recreation Center

- Completed the Bell parking lot crack seal project. Project was completed on June 19 at a cost of \$ 53,329. Contractor: Sunland Asphalt Co.
- Completed new swim clocks project. Project was completed on June 18 at a cost of \$ 5,233. Contractors: Copper King and Exquisite Painting
- Complete new fan control temperature installation. Project was completed on June 20 at a cost of \$ 5,465. Contractor: Accel Electric
- Completed Reline of Sewer lines project. Project was completed on June 13 at a cost of \$ 33,410. Contractor: Sunland Plumbing Company

Lakeview Recreation Center

- Completed lawn bowl picnic gazebos motion lights installation project. Project was completed on July 12 at a cost of \$ 9,849. Contractor: Accel Electric

Lakeview Lanes Bowling Alley

- Completed reline of sewer line. Project was completed on June 15 at a cost of \$ 23,500. Contractor: Sunland Plumbing Company

Mountain View Recreation Center

- Demolition of solar and two buildings. Project was completed on June 18 at a cost of \$ 26,391. Contractor: Porter Construction

Sun Bowl Amphitheater

- Completed Parking lot improvements project. Project was completed on June 8 at a cost of \$ 571,068. Contractor: Sunland Asphalt Co.

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Riverview Golf Course

- Completed parking lot improvements project. Project was completed on June 27 at a cost of \$ 19,667. Contractor: Weems Asphalt Company.

Viewpoint Lake

- Completed installation of fence extension deterrent project. Project was completed on June 28 at a cost of \$ 5,455. Contractor: Fairlane Fence

Oakmont Recreation Center

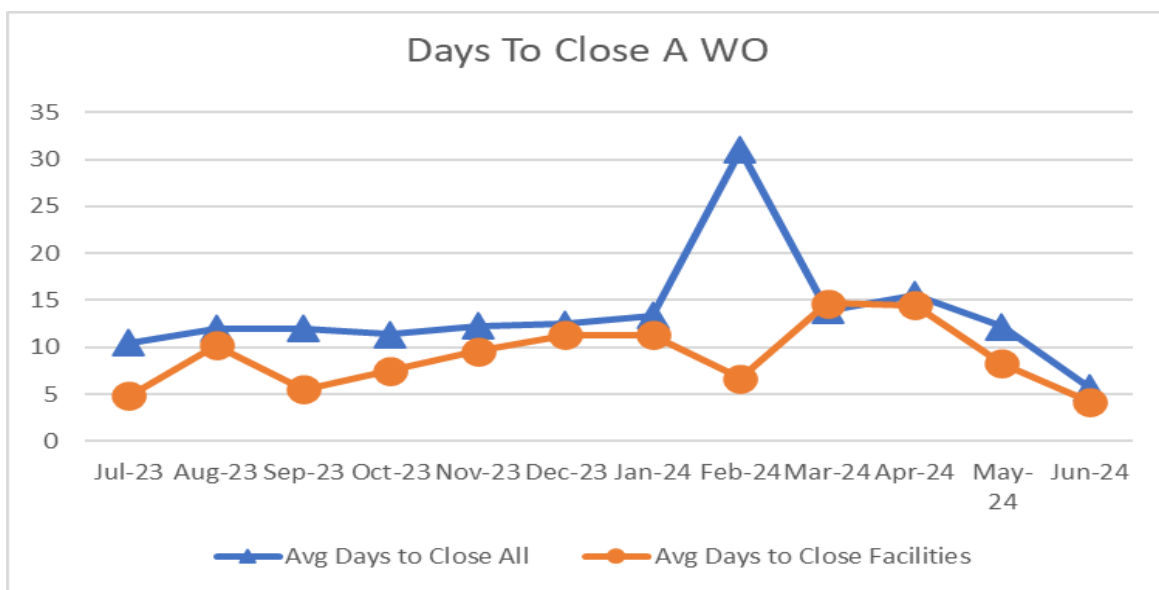
- Completed install for enhanced surveillance/cameras/security pilot project. Project was completed on July 10 at a cost of \$ 176,640. Contractors: ADT/Everon, Fairlane Fence and Exquisite Painting
- Installed Weavers Club new door. Project was completed on June 26 at a cost of \$8,140. Contractors: Jorcoran and Exquisite Painting

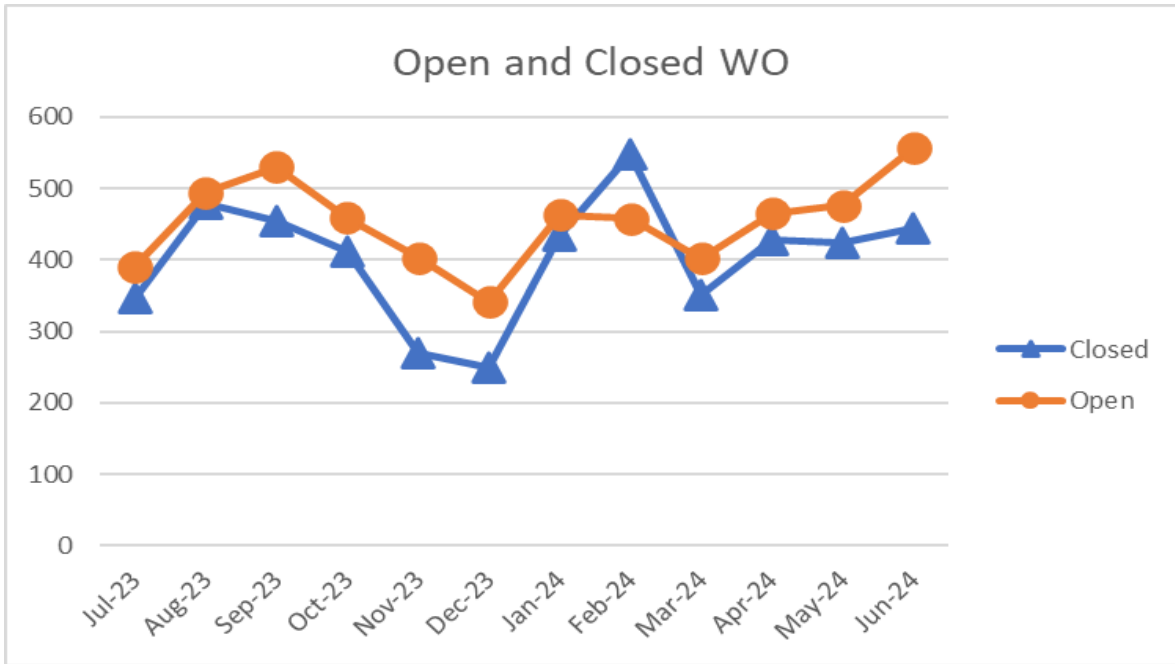
Sun Dial Recreation Center

- Completed installation of new tile pool ramps. Project was completed on July 5 at a cost of \$ 9,065. Contractor: CPR Pools
- Replaced sand and laterals pool filters. Project was completed on July 3 at a cost of \$14,526. Contractor: Master Pool

WORK ORDERS (Skilled Trades, Repair and Maintenance):

The Facilities Department had 168 open work orders as of July 1 and completed 444 work orders in June 2024. The average time to close a work order in June 2024 was 5.7 days. The Facilities Department has completed 2,631 work orders as of July 1.





LAWN BOWL AND GROUNDS:

Scottie Jones - Grounds Maintenance Manager - July 2024 monthly report:

Lawn Bowl grass speed and moisture levels by location.

SITE	SPEED	MOISTURE
BELL NORTH	11.2	13.2
BELL SOUTH	10.4	15.0
LAKEVIEW EAST	10.0	14.9
LAKEVIEW WEST	10.5	14.2
OAKMONT	11.5	10.7
MOUNTAIN VIEW	9.9	10.0

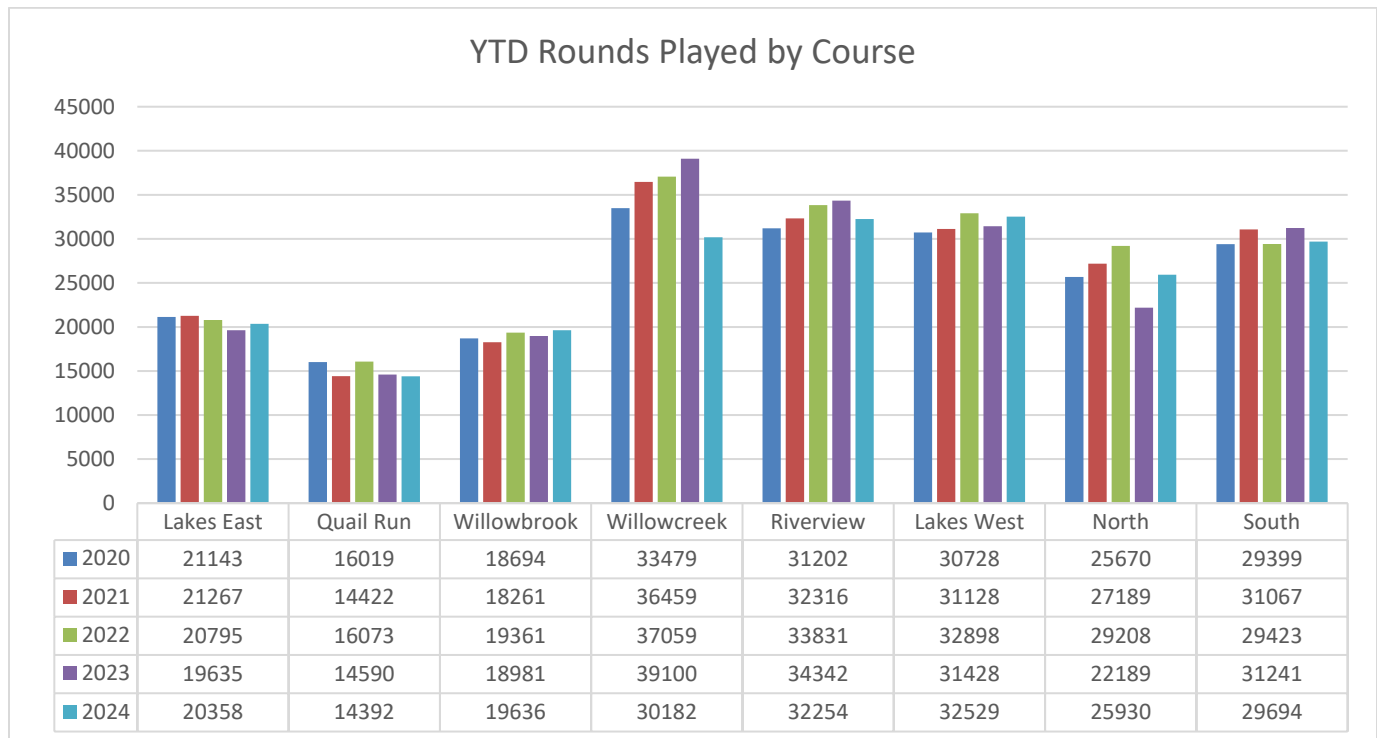
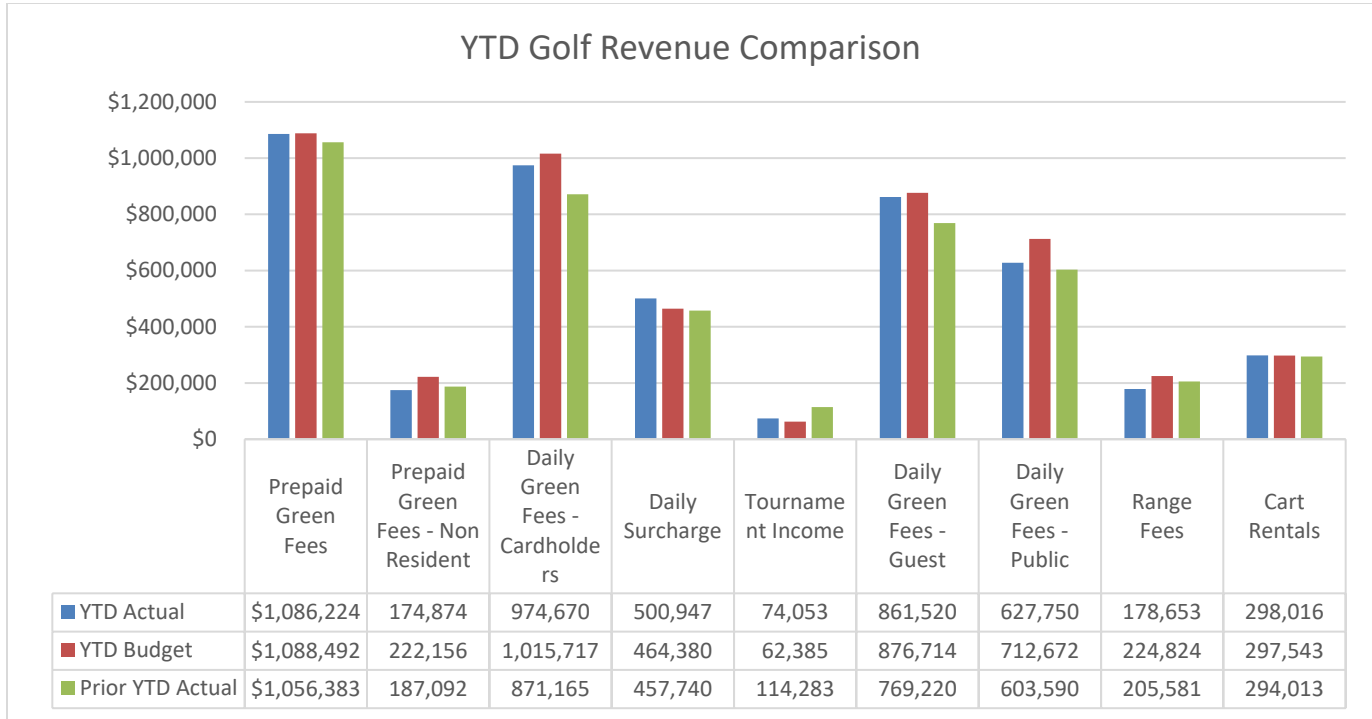
Lawn Bowls - Mowing, rolling, and cleaning ditches three times a week. We pulled 1/2-inch cores and fertilized the greens. Staff leveled the greens afterwards in preparation of the upcoming U.S. Lawn Bowl Open.

Grounds - Staff completed the trimming of all Oleander shrubs at the Recreation Centers. Staff removed all dead cacti at the Recreation Centers. Staff completed mowing and ground maintenance at the Lakeview Recreation Center and Sun Bowl Amphitheatre.

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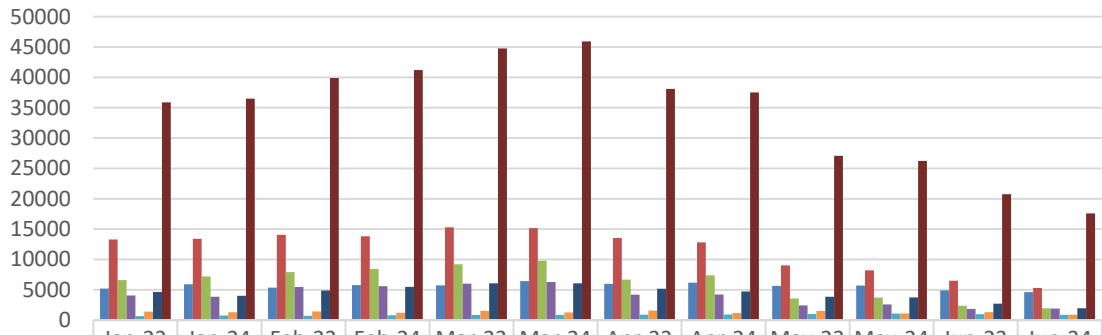
GOLF:

Pro Shops:



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YTD Rounds Comparisons



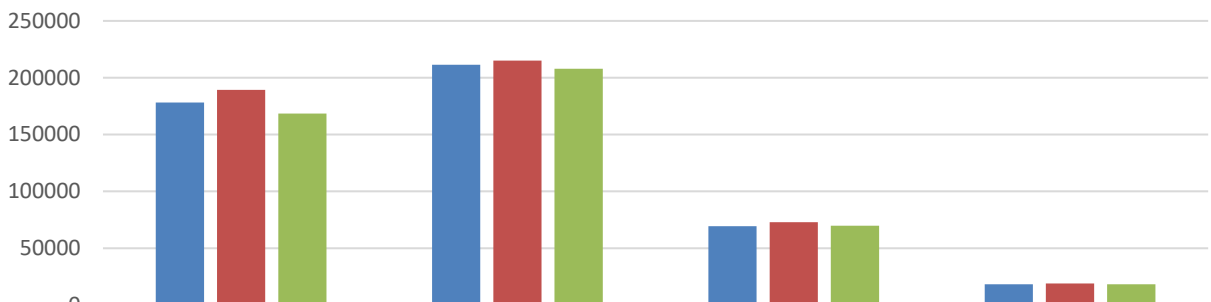
	Jan-23	Jan-24	Feb-23	Feb-24	Mar-23	Mar-24	Apr-23	Apr-24	May-23	May-24	Jun-23	Jun-24
Resident Yearly Pass	5199	5907	5358	5784	5741	6452	5994	6195	5645	5720	4930	4633
Resident Surcharge Pass	13289	13408	14074	13819	15303	15167	13545	12819	9033	8216	6500	5317
Cardholder Daily	6606	7198	7913	8444	9209	9788	6686	7404	3567	3741	2389	1972
Guest	4068	3855	5471	5609	6020	6282	4194	4234	2451	2611	1864	1900
Staff	683	785	730	819	858	881	902	943	1010	1104	998	890
Non Resident Yearly Pass	1401	1301	1445	1241	1551	1282	1607	1167	1506	1110	1341	922
Public Daily	4649	4029	4901	5502	6075	6074	5177	4743	3874	3748	2739	1959
Total Rounds	35895	36483	39892	41218	44757	45926	38105	37505	27086	26250	20761	17593

16.92% of total rounds played by Resident Yearly passholders, up from 15.92% last year

- 33.54% of total rounds played by Resident Surcharge passholders, up from 34.74% last year
- 18.81% of total rounds played by Resident Cardholders, up from 17.61% last year
- 3.43% of total rounds played by Non-Resident Yearly passholders, down from 4.29% last year
- 12.71% of total rounds played by Public Golfers, down from 13.28% last year
- 11.95% of total rounds played by Guests, up from 11.66% last year
- 2.65% of total rounds played by Staff, up from 2.51% last year

Snack Shops:

YTD Snack Shop Revenue Comparison



	Food Sales	Liquor Sales	Beverage Sales	Snack Sales
YTD Actual	178139	211383	69414	18282
YTD Budget	189336	215059	72932	18963
Prior YTD Actual	168498	207885	69816	18292

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Golf Courses:

Superintendent Update (Dennis Dulaney – South Golf Course Superintendent):

As many of you know, we have spent the last several weeks conducting fairway aerification throughout all RCSC golf courses. The purpose of aerification is twofold: first, to encourage water penetration, which is water entering the soil surface, and second, to improve infiltration, which is water moving through the soil profile. An additional side benefit of aerification is lessening soil compaction. When combined, these three functions provide improved turf quality and the ability to better recover from the stress of transition from overseeded ryegrass back to bermudagrass. In addition, aerification allows the bermudagrass to develop better rhizome, or root growth, necessary for a total recovery and improved ryegrass transition.

Below is a timeline of events regarding the South Golf Course and the issues that led to the change of aerification schedule as well as the course's extended closure:

Timeline of events:

- Irrigation mainline broke at holes #10/#18, last week of April.
- Several valves were shut off, irrigator, throughout the back 9 to isolate the break to make repairs, Friday, May 3.
- Water continued to leak from the break requiring us to shut down the back 9 pump station which also shut off all irrigation on the back 9, Monday, May 6.
- South course was closed for fairway verticutting, Monday, May 6 and 7.
- Repairs were made to the broken mainline, by the irrigator, which subsequently broke again as soon as we repressurized the back 9 pump station, Monday, May 6.
- Second repair was made to the mainline and pump station repressurized, Tuesday, May 7.
- Golf course staff discovered the shut valves were still off, week of May 12.
- Issues involving the valves were rectified May 20.
- The irrigation mainline that was repaired broke again the 2nd week of June. This time it was repaired in 1 day.
- Irrigation staff spent his first 2 weeks auditing and golf course irrigation valves and correcting as necessary.

Updated Fairway maintenance with timeline:

- Fairway aerification, Monday, July 1. This provides surface openings to allow water and fertilizer to penetrate below the surface.
- Seeding weakest areas with bermudagrass seed, Monday, July 8. In addition, we roped these areas and created custom irrigation cycles to maintain moisture to improve germination.
- Application of organic Mycorrhizae fertilizer to all fairways, Monday, July 8. This feeds the bermuda roots below the surface to improve overall growth.

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- Daily spot watering, beginning Monday, July 1 and ongoing. This is necessary to encourage overall bermudagrass growth. Newly seeded areas also have daily programmed cycles.
- Reduced fairway mowing frequency, Monday, July 8. Less mowing helps improve bermudagrass stress resistance.
- Beginning week of July 15. Return to regular mowing frequency and gradually step-down heights to promote lateral growth.

The purpose of these maintenance practices is intended to aid in bermuda recovery and the elimination of any remaining winter ryegrass. It is important to note that the issues regarding the irrigation system did not directly harm the bermuda base, the difference between the South course and the others is the irrigation issues led to the rapid departure of the rye grass, rather than the gradual process the other courses experienced. South had a very healthy stand of winter grass, which is evidenced by the compliments it received throughout the winter, the irrigation issues coupled with heat and the fact that we were in the process of chemically removing the rye grass rapidly accelerated the transition process before the bermuda base was ready.