

## RCSC Management Report: November 21, 2024

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### FINANCE:

#### **Financials:**

The Recreation Centers of Sun City, Inc. (RCSC) ended October within its capital budget year to date. RCSC ended the month of October with a year-to-date Net Operating Deficit of (\$372.3k) which was (\$1,479k) unfavorable to budget. The Facilities division was \$53.2k favorable to budget year to date. The Non Golf division was (\$45.7k) unfavorable due to Annual Assessments and Transfer Fees being (\$228.5k) unfavorable and Repair & Maintenance (\$166.1k) unfavorable to budget. These unfavorable variances were partially offset by a \$354.1 favorable variance in Non-Golf Wages & Benefits. The Finance division was (\$128.6k) unfavorable to budget due Wages being (\$70.0k) unfavorable and Consulting (\$44.4k) unfavorable. Golf has generated a year-to-date Net Operating Deficit of (\$1,320k) and is (\$1,358k) unfavorable to budget. Golf Revenue is (\$362.4k) below budget due to Daily Public and Cardholder Green Fees below budget by (\$123.7k) and (\$70.1k) respectively, and Non-Resident Pass fees (\$85.0k) below budget. Golf Operating Expenses were (\$1,050k) over budget due to increased expenditures in Vegetation Management (\$226.2k), Employer Paid Medical (\$97.9k), Rolling Stock Repair (\$129.6k), Sprinkler Repair Parts (\$87.9k), and Pump/Well Electric (\$107.8k).

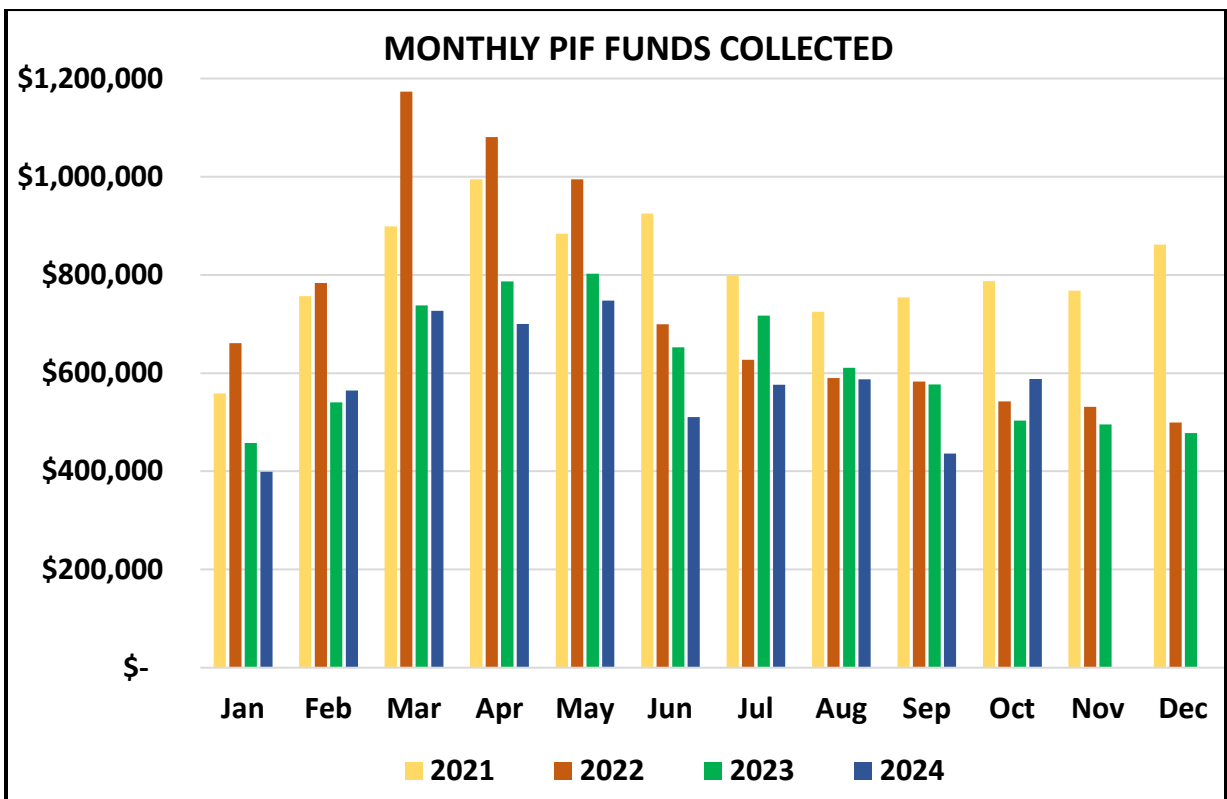
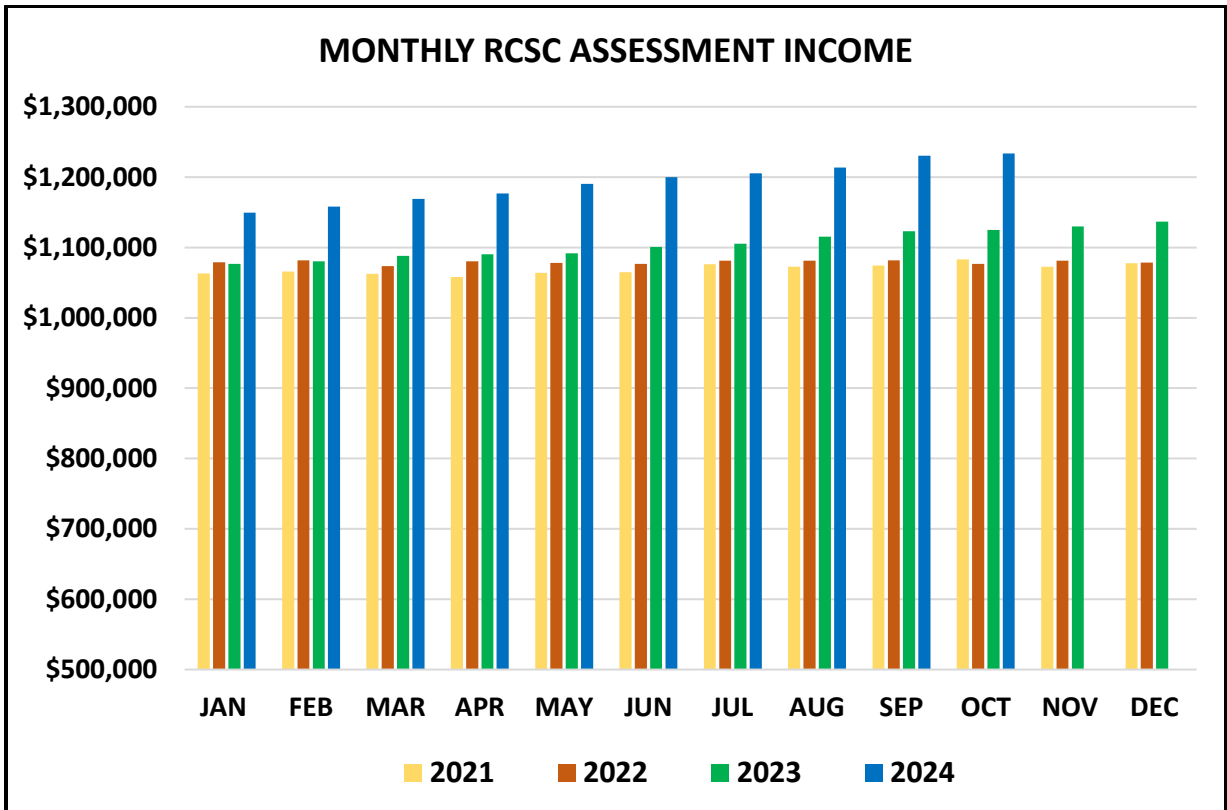
Total Operating Income for October totaled \$2,003k and was (\$103.4k) unfavorable to budget due to Assessment Income (\$23.8k) below budget, and Public and Cardholder Daily Golf Fees (\$15.5k) and (\$14.8k) below budget, respectively. Operating Expenses for the month were \$2,199k and (\$388.8k) unfavorable to budget due to variances in Chemicals (\$198.4k), Utilities (\$63.2k), and Repairs & Maintenance (\$68.4k) expenditures.

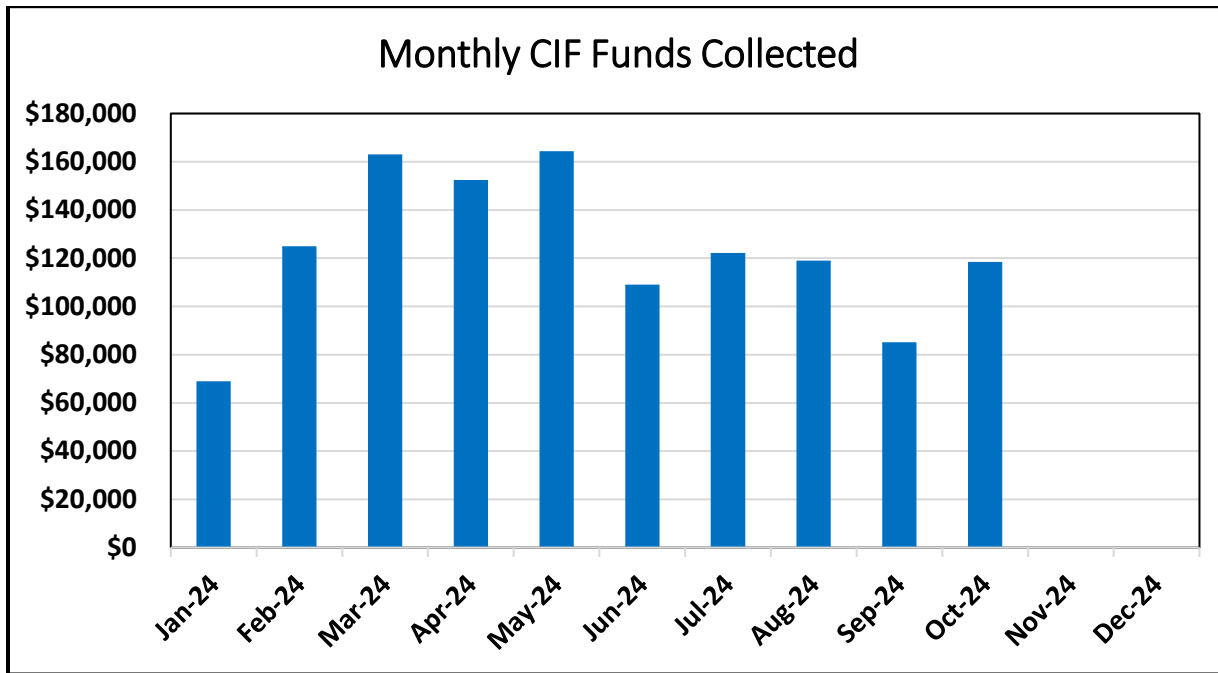
#### **Cardholder Services:**

Payments on past due assessments in October were 13.5% of past due balances. Overall accounts receivable increased in the month by 6.5% and are up 22.5% from the end of 2023. Overall accounts receivable for past due balances decreased in October by (0.1%). September assessments went 30 days past due at a rate of 6.2% and August assessments went 60 days past due at a rate of 2.4%.

Payments from third-party collections firms totaled \$48,299 in October and totaled \$386,947 year to date. October payments made through the online Web Portal totaled \$225,417 from 420 property owners. Year to date online portal payments total \$2,425,377 from 4,442 property owners.

In October, property transfer balances increased by 13.4%. Outstanding balances related to property transfers represent 60% of all receivables and 58% of past due balances. October trustee sale notices on Sun City AZ properties decreased from 27 to 25, and properties owned by lending institutions remained at zero.





**Safety & Compliance:**

*Incident Reports / Customer Engagement:*

October saw 54 total incidents across all RCSC properties, marking an increase in transient activity, particularly at Bell, Lakeview Lanes, and the Softball complex. Efforts continue to address the ongoing issue of an individual repeatedly trespassing at the softball complex despite enforcement efforts by MCSO. Progress on this matter is anticipated soon.

A burglary occurred at the Willow facility where a maintenance truck was broken into and tools stolen. This was reported to MCSO. A temporary camera has been installed at the location and additional wire fencing will be added to bolster security. Conduct issues remain prevalent at multiple locations. These incidents most often are violations of RCSC's Board Policy 10 Code of Conduct involving verbal altercations between Cardholders / Members or directed at staff members. Typical triggers include disputes over politics, swim lanes, or fitness equipment usage. To address these incidents, RCSC follows its corporate documents to ensure proper handling with the goal of resolving the issue amicably, aiming for an agreement that satisfies all parties involved.

### *Customer Engagement Overview*

In October, there were 15 customer engagement inquiries. These inquiries provided input on the re-purposing the indoor spa space at Bell, feedback on moving outdoor concerts indoors, and suggestions for a new use for a golf course.

Incident Reports investigated this month: 43. Year-to-date: 536

Customer Inquiries responded to this month: 15. Year-to-date: 907

### **Human Resources:**

Human Resources opened 14 requisitions during the month of October and filled 10 requisitions, ending the month with 6 open positions. Year-to-date, HR has opened 140 requisitions and filled 139 open positions. The time-to fill requisition KPI in October was 5 days.

In October, HR completed preparations for the 2024 Open Enrollment meetings for Employee Medical benefits. HR also completed the process to switch to a fully electronic new employee onboarding through Paylocity. HR is in the process of completing 2024 Performance Reviews for all RCSC employees.

### **Information Technology:**

In October, the Information Technology team received 122 new service requests, and closed 120 requests by month end, leaving 5 tickets remaining open. On average, IT closed service requests in less than one day in October. Year to date, IT has opened 1,095 tickets and closed 1,100 tickets.

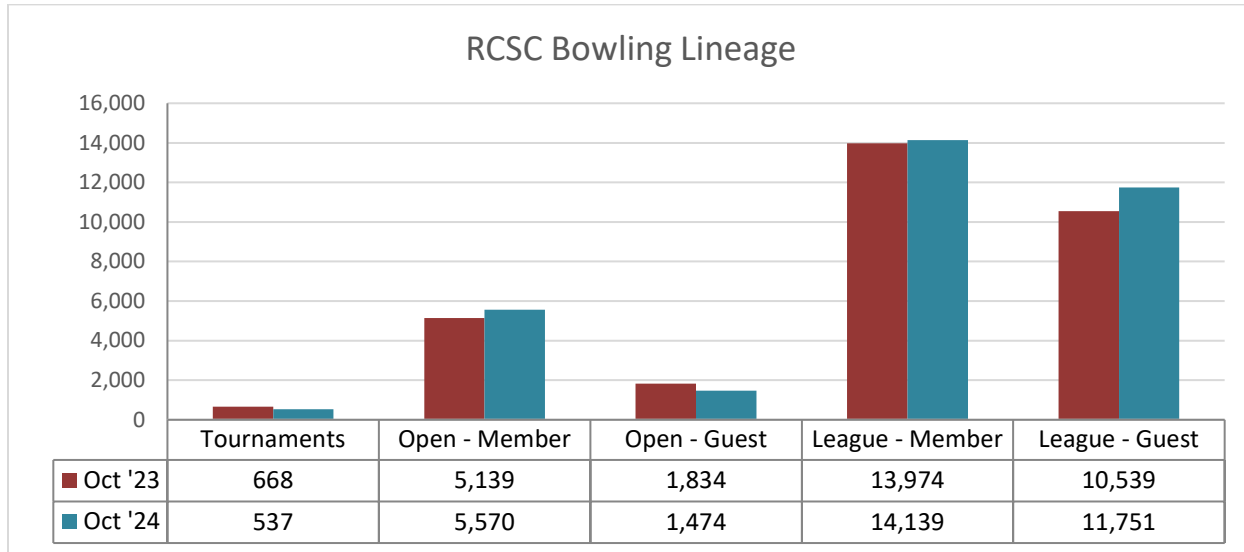
IT is still on target to have active fiber connections to almost all RCSC facilities by end of year 2024. Four facilities have had fiber connections completed, with two additional facilities scheduled for November. IT has upgraded almost all RCSC desktops / laptops to Windows 11, with only 10 PCs remaining that are still running Windows 10.

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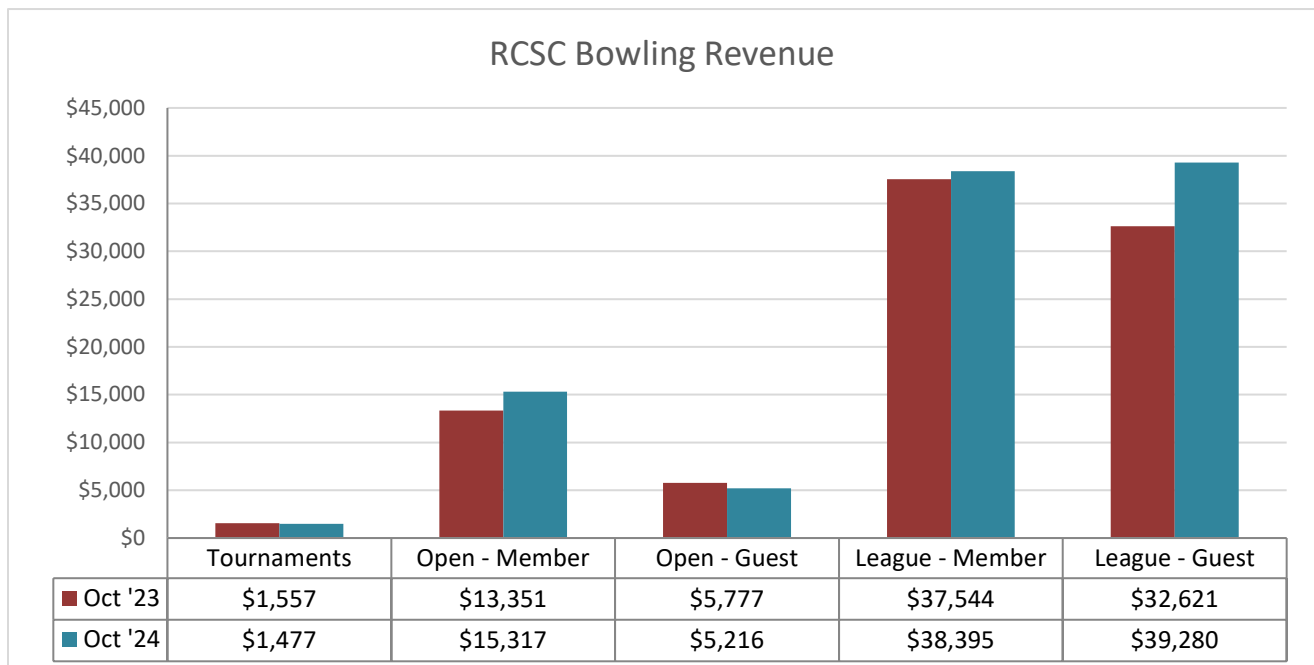
## NON-GOLF:

### Bowling:

In October of 2024, Bowling lineage totaled 34,002, compared to 32,824 in October of 2023, an increase of 4%. Year to date lineage through October 2024 totaled 277,031 lines, compared to 275,327 through October 2023, a 1% increase.



Bowling Revenue in October 2024 totaled \$99,684 which was a 10% increase over the October 2023 revenue of \$91,032. Year to date, 2024 Bowling revenue is \$785,899, or 5% greater than the total revenue through October of 2023.



## ACTIVITIES:

The Royal Autumn Ball was a success, with 302 free tickets distributed to attendees. The Volunteer Luncheon was well-received, with members enjoying the food, show,

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and decorations. The Golf Car Tour map and directions are finalized, and tickets are printed and ready, with sign-ups starting on 11/18. The Veterans Concert is being rescheduled to a date closer to Memorial Day, with updates to be posted soon.

Sun Bowl attendance included 1091 and 1302 for outdoor performances, and 694, 937, 746, and 986 for indoor relocations, including the popular Southern Rock shows (937 and 986). Plan is in full swing for the Lakeview HOA Boat Parade Gathering on December 7th, and plans for the December 13<sup>th</sup> Holiday Celebration are underway.

A meeting with the talent management company for the 2026 Winter Concert Series is scheduled in December, and talent booking for the 2025 Summer Event Series is ongoing.

### **MEDIA STUDIO:**

Department has completed the Recreation Spotlight feature of Fairway Recreation Center and can be seen on our YouTube channel. Next video planned is for the Mountain View Center.

### **WELCOME CENTER:**

The Welcome Center had 373 visitors in October. The top three reasons for visiting included:

- picking up club brochures
- directions assistance
- clubs and organizations dropping off brochures

20 of our visitors were new members who stopped by to learn about the amenities here.

Four surveys were completed by prospective residents who visited us. Half of them learned about us through our website and were attracted to Sun City because of the lifestyle. Their top interests included travel, fitness, swimming, billiards, and movies.

The Welcome Center answered 80 phone calls in October. 47 calls were from residents, 5 were from realtors, and the rest were from nonresidents.

Considering options to relocate Welcome Center, perhaps to Fairway. Space may become the location for Sun City Foundation and Documented Process Development Lab.

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## COMMUNICATIONS:

Sent 20 email blasts. We sent 321,533 total emails to people. Open Rate has gone up 12% to 52%. Click Rate has gone down 3% from the previous month to 6.1%, while the Unsubscribe Rate has dropped 28% from the previous month to 0.03%.

## CLUBS:

Invitations to participate in Discover Sun City AZ will be sent to club presidents on November 15, 2024, inviting them to RSVP to the Chartered Club office if they would like to participate. RSVPs are due by December 15, 2024.

Art and Craft Clubs are preparing for the Fall Arts and Crafts Festival, which will be held at the Sundial Center on November 29-30, 2024.

The 1099 forms have been received and will be used by clubs that have independent contractors for the 2024 tax season.

Three clubs submitted rosters that fall under the minimum membership requirement. Letters will be sent to each club president, and the clubs will have one year to increase their membership to at least 25 members.

## Centers:

USAGE BY CENTER	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	TOTAL
BELL	23,335	27,732	30,512	31,182	23,151	27,686	30,566	28,751	26,550	27,753	277,218
FAIRWAY	18,994	18,620	19,439	19,861	20,064	21,688	21,689	18,859	21,779	19,796	200,789
LAKEVIEW	10,129	14,061	17,081	13,036	10,810	7,846	7,138	6,009	4,197	7,557	97,864
MOUNTAIN VIEW	4,003	4,090	6,545	6,203	4,758	3,481	3,520	3,540	3,403	4,582	44,125
MARINETTE	17,278	18,369	19,496	20,589	11,822	11,541	11,045	10,689	10,910	11,788	143,527
OAKMONT	3,119	3,302	4,365	4,182	4,767	4,406	4,635	3,761	835	2,631	36,003
SUNDIAL	19,239	17,703	17,990	13,470	11,804	9,319	6,690	11,841	13,897	12,760	134,713
<b>TOTAL CENTER USAGE</b>	<b>96,097</b>	<b>103,877</b>	<b>115,428</b>	<b>108,523</b>	<b>87,176</b>	<b>85,967</b>	<b>85,283</b>	<b>83,450</b>	<b>81,571</b>	<b>86,867</b>	<b>934,239</b>

USAGE SUMMARY BY ACTIVITY	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	TOTAL
BASKETBALL	31	61	106	31	12	18	34	34	32	35	394
BILLIARDS	2,795	2,607	2,733	2,441	2,188	2,111	2,286	2,150	1,907	2,216	23,434
BOATS, PEDAL & ROW	587	1,109	1,435	948	406	130	101	50	109	160	5,035
BOCCE (open)	255	206	290	116	17	12	4	3	-	24	927
DARTS	783	833	928	750	616	643	661	552	585	582	6,933
FISHING	289	191	113	76	98	89	81	58	88	79	1,162
FITNESS	36,395	34,847	34,557	31,275	27,379	26,500	28,860	28,831	30,651	29,175	308,470
WHISPERBALL/RACQUETBALL	322	323	351	270	216	261	304	166	237	241	2,691
HORSESHOES	120	135	80	25	5	-	3	-	4	21	393
MINI GOLF	4,317	6,411	8,568	4,760	1,999	802	347	419	799	2,219	30,641
PICKLEBALL	10,362	11,240	11,265	13,007	4,897	3,484	2,837	2,891	3,510	5,227	68,720
POOLS, SWIMMING	12,704	14,306	20,065	20,085	21,190	20,981	20,189	20,315	14,814	17,766	182,415
POOLS, WALKING	3,126	5,466	6,920	11,128	9,581	13,495	13,549	11,977	12,091	10,255	97,588
POOLS, WARM WATER	2,296	2,493	2,086	2,029	1,488	1,133	591	1,358	1,703	1,814	16,991
SHUFFLEBOARD (open)	794	868	940	569	487	583	503	398	416	463	6,021
SPA, INDOOR	4,245	4,008	3,784	2,976	2,669	1,865	1,176	2,252	1,746	2,150	26,871
SPA, OUTDOOR	4,212	6,080	6,812	7,622	4,045	5,027	3,698	3,118	3,346	4,192	48,152
TABLE TENNIS	841	800	904	757	749	635	709	804	843	700	7,742
TENNIS COURTS	1,119	1,136	1,233	1,004	753	407	404	446	612	857	7,971
WALKING, INDOOR	5,579	4,676	4,682	4,810	5,448	6,577	8,093	6,718	6,468	5,744	58,795
WALKING, OUTDOOR	4,925	6,529	7,576	4,034	2,933	1,214	853	910	1,610	2,947	33,531
<b>TOTAL CENTER USAGE</b>	<b>96,097</b>	<b>104,325</b>	<b>115,428</b>	<b>108,713</b>	<b>87,176</b>	<b>85,967</b>	<b>85,283</b>	<b>83,450</b>	<b>81,571</b>	<b>86,867</b>	<b>934,877</b>

## FACILITIES:

### Projects:

#### In- Process

##### **Mountain View Recreation Center**

- Presentation by triARC Architecture & Design summarizing the Performing Arts Center site selection process and location recommendation presented at the Board of Director's meeting on 10/31/24.
- Motion by the Board of Directors to approve the triARC site recommendation passed first reading at a Board meeting special session on 11/11/24.

##### **Bell Recreation Center**

- General Contractor Tri-C is continuing with the total renovation of the tennis restrooms. Completion expected late November.

##### **Oakmont Recreation Center**

- The fitness room is in the process of being renovated. Completion expected early December.

##### **Sundial Recreation Center**

- We are upgrading the ventilation system in the sewer pit. Completion expected in January 2025.

#### Recently Completed

##### **Sun Bowl Amphitheater**

- Completed replacement of the bollard lights. Project was completed on October 4 at a cost of \$42,025. Contractor: Voss Lighting

##### **Fairway Recreation Center**

- Completed replacement of the Sterling & Stone Club tables. Project was completed on October 9 at a cost of \$7,350. Contractor: One Point Solutions

##### **Oakmont Recreation Center**

- Completed replacement of the pool deck and drains. Project was completed on October 3 at a cost of \$75,043 Contractor: Arrowhead Pools
- Completed refinishing of the spa interior. Project was completed on September 30 at a cost of \$81,142. Contractor: Above & Beyond

##### **Lakeview Recreation Center**

- Completed replacement of the canopies around the pool. Project was completed on October 1 at a cost of \$19,930. Contractor: Total Shade
- Completed replacement of the pool ladders. Project was completed on October 29 at a cost of \$4,768. Contractors: Master Pool Repair & RCSC Trades

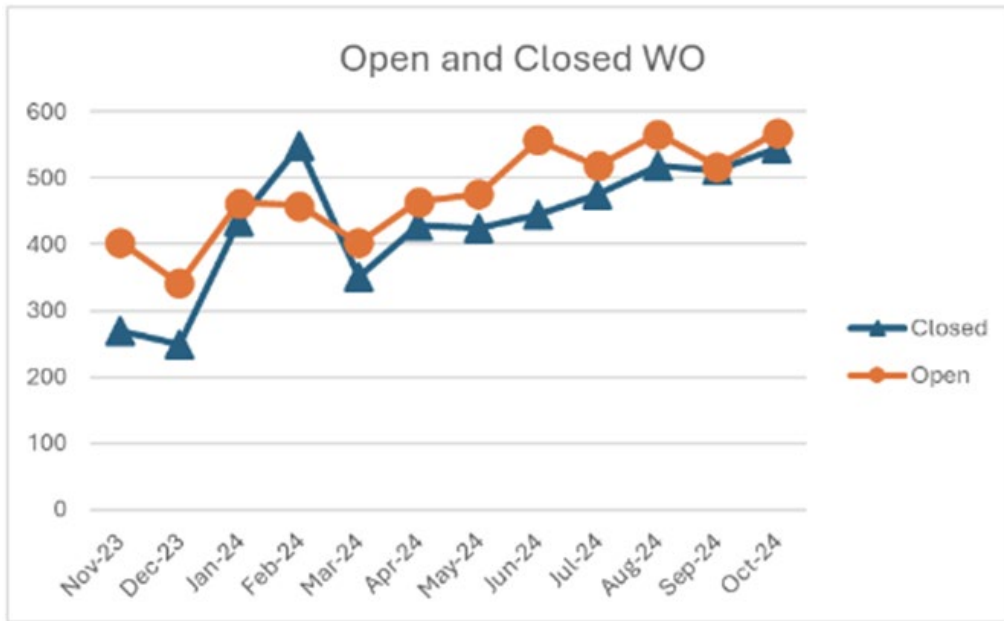
##### **Sundial Recreation Center**

- Completed replacement of the Men's Club shadow box. Project was completed on October 25 at a cost of \$7,013. Contractor: RCSC Trades



## WORK ORDERS (Skilled Trades, Repair and Maintenance):

The Facilities Department opened 568 new work orders in the month of October and completed 545 work orders in the month of October. The average time to close a work order in October 2024 was 4.0 days. The Facilities Department has completed 4682 work orders as of November 1. We started October with 94 open work orders.



## LAWN BOWL AND GROUNDS:

LAWN BOWLS SPEED		LAWN BOWLS MOISTURE	
Bell North	13.0	Bell North	12.6
Bell South	12.8	Bell South	11.8
Lakeview West	12.0	Lakeview West	14.0
Lakeview East	11.5	Lakeview East	13.5
Oakmont	13.1	Oakmont	9.8
Mountain View	12.9	Mountain View	9.0

- Mowing rolling and cleaning ditches at lawn bowls three times a week.

### Other Grounds Activities -

- Cleaning around centers, taking out the dead cactus.
- Trimming brushes, mowing Lakeview Center once a week.
- Over seeded at Lakeview Center.
- Installed a curbing water barrier to prevent run-off to the parking lot at Lakeview Center
- Mowing at the softball field twice a week

## GOLF:

### **Pro Shops:**

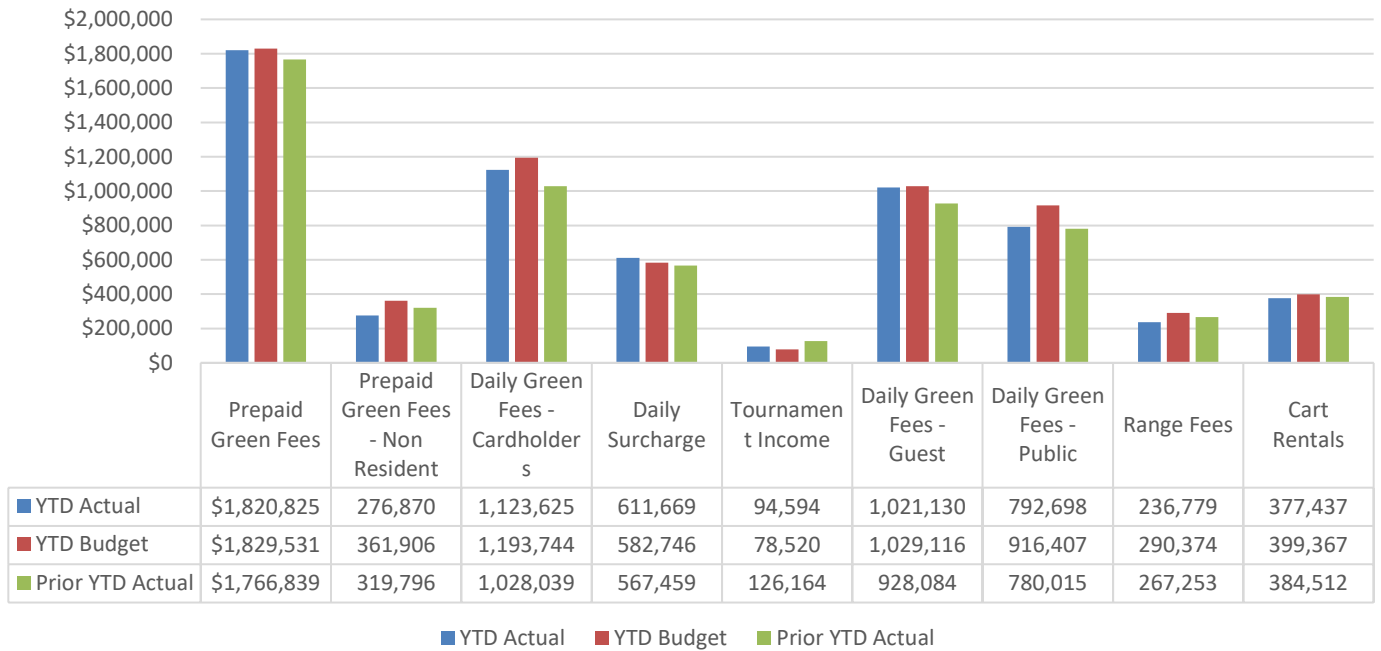
On December 13th we will be hosting a fundraising tournament to raise money for the Sun City Foundation. The format will be Beat the Pro(s), which will be Brian Duthu (PGA) and Chris Linam (Pro Shop Manager) and will be made up of two person teams. Teams that beat the Scramble score of the Pros will equally share the prize pool. The entry fee will be \$45 and the event will be held at the South Golf Course. In addition to bragging rights for beating the pro, there will also be a chance at a Pebble Beach Vacation.

Lately we have had increased complaints from neighbors, concerning golfers trespassing onto private property to retrieve golf balls. While there are some homeowners that are not bothered by golfers retrieving errant shots, there are many that feel violated when someone enters their property to retrieve a ball. Please remember that when retrieving an errant shot on a homeowner's property, you are trespassing, unless you have been given permission to do so. We ask for your cooperation in respecting the property of others.

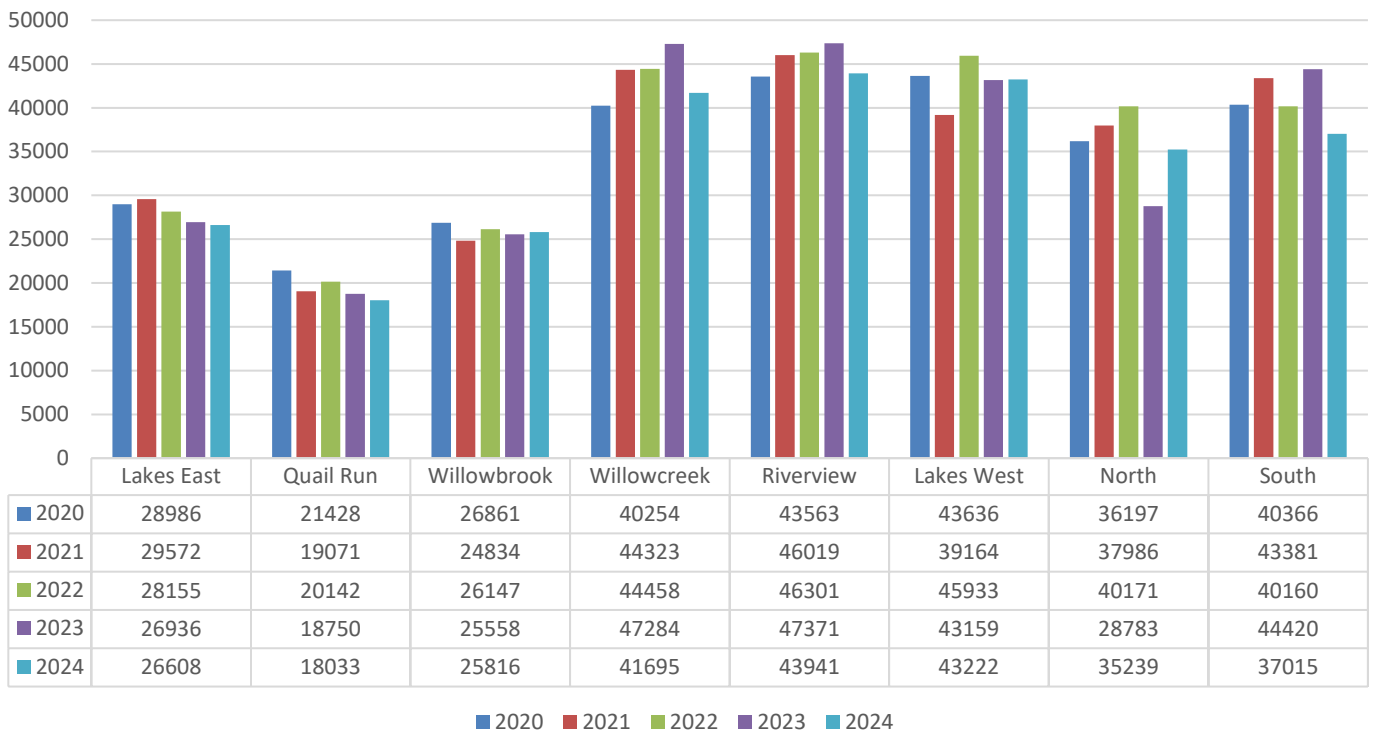
### **Superintendent Report (Chuck Hyppa)**

As some of you may be aware this overseed season presented challenges with hot temperatures we have not seen before. The first wave of courses that went down September 23rd ran into extremely hot temps. Seeding in 114-degree heat is not ideal for proper germination of Ryegrass. Keeping the new seedlings wet throughout the day as well as the resurgence of the Bermudagrass made it very difficult to grow in a healthy stand of Rye. As the cooler temperatures move in and the Bermudagrass enters dormancy our courses have begun re-seeding thin areas in Fairways and Green Banks in hopes of filling in with Rye. This is very consistent across the greater Phoenix area. Numerous vendors and Superintendents have stated that they have never seen a grow in like this before. We are optimistic through all the challenges that the courses will play nicely this Winter. We appreciate your continued support.

YTD Golf Revenue Comparison



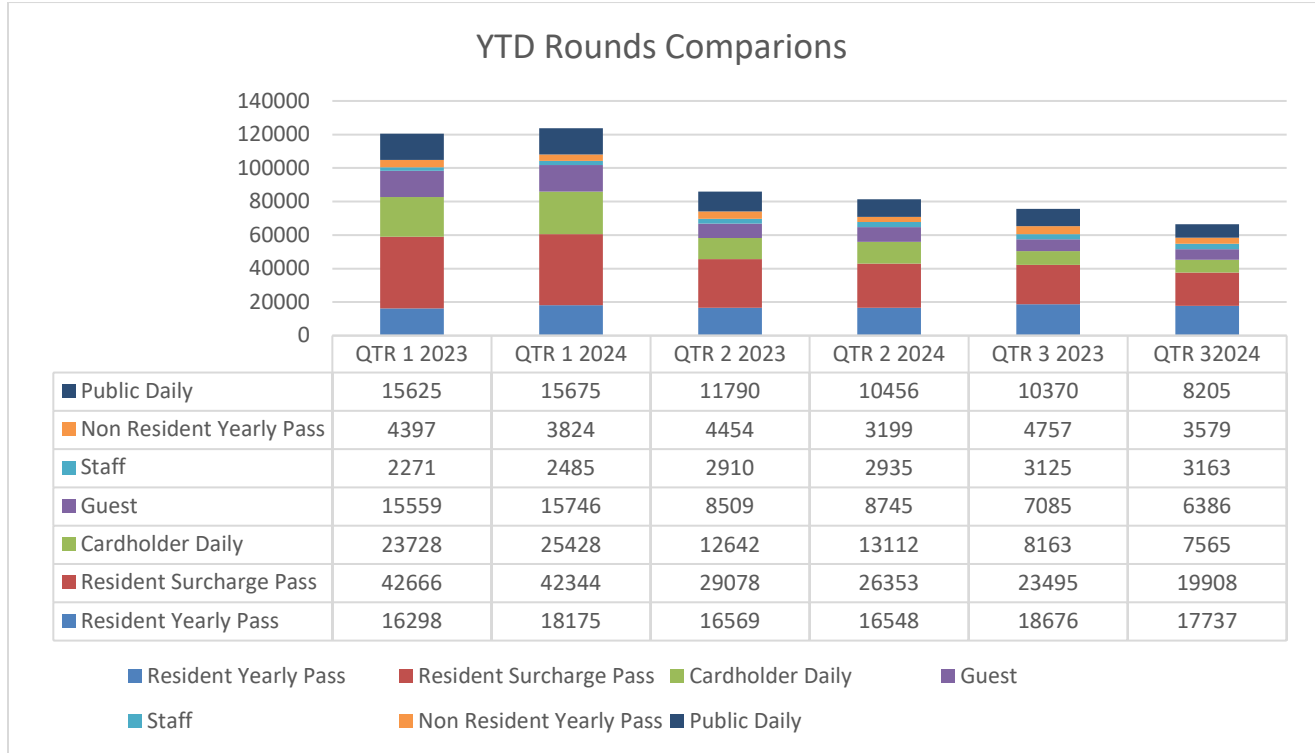
YTD Rounds Played by Course



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## Overall Trends:

- Locations with Decreased Rounds: Willowcreek, Quail Run, Riverview, and South all experienced notable declines in rounds from 2023 to 2024.
- Locations with Increased Rounds: North (following it's renovation) had a strong recovery, showing the largest percentage increase, while Willowbrook and Lakes West remained fairly stable, with small increases.



- 19.32% of total rounds played by Resident Yearly passholders, up from 18.27% last year
- 32.63% of total rounds played by Resident Surcharge passholders, down from 33.75% last year
- 16.98% of total rounds played by Resident Cardholders, up from 15.78% last year
- 3.90% of total rounds played by Non-Resident Yearly passholders, down from 4.82% last year
- 12.65% of total rounds played by Public Golfers, down from 13.39% last year
- 11.37% of total rounds played by Guests, up from 11.04% last year
- 3.16% of total rounds played by Staff, up from 2.94% last year

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## Snack Shops:

### Snack Shops

Snack shops are now closing at 5:00 p.m. on a consistent basis and will continue to do so until business begins slowing in April. Beginning November 1, we raised prices across the Board for Snack Shop items. Price increases are never easy, nor welcomed, however the increases were necessary to offset rising costs.

