

BOARD OF DIRECTORS MEETING
APRIL 24, 2024
3:00 P.M., CLC STEVE NOLAN LECTURE HALL
AGENDA

1. Call to Order
2. Pledge of Allegiance
3. Introduction of Managers
4. Approve the March 27, 2024 Board Meeting Minutes. **(TAB #1)**
5. Approve the March 27, 2024 Annual Board Meeting Minutes. **(TAB #2)**
6. President's Message
7. Employee of the Month, April 2024
8. Treasurer's Report
 - A. Controller's Report (Steve Hardesty)
9. Committee and Task Force Reports
 - A. Architectural Compliance Committee (Len Horst)
 - B. Audit & Finance Committee (Denise Orthen)
 - C. Communications Committee (Denise Haynie)
 - D. Election Committee (Jack Dryer)
 - E. Facilities & Grounds Committee (Dianne Barry)
 - F. Food & Beverage Committee (Jean Nelson)
 - G. Golf Committee (Pat Shouse)
 - H. Recreation / Entertainment Committee (John Adam)
 - I. Safety & Security Committee (Mike Rogers)
10. Project Report: **NONE**
11. Management Report (Steve Hardesty)
12. Directors Comments
13. Capital Reserve Replacement Fund Requests:
 - A. Management recommends replacing a Cushman Work Cart for a unit that was damaged due to engine failure resulting in the cart burning. Management offers two options: Option #1) Receive bids from local vendors for a new unit cost of approximately \$18,000-\$22,000 Option #2) Repurpose one of the unused beverage carts from CW Golf Course, remove the beverage equipment, and add a work bed for less than \$2,000 per unit. **(TAB #3)**

Management recommends Option #2.
 - B. Management recommends additional electrical repairs to one of the two HVAC units (Unit 5) at the Fitness Activity Center, putting the unit back to factory specifications. During the original work additional electrical work was recommended but not included. (Asset#916/YTBR:2035) **(TAB #4)**

CASM NTE \$8,000

Management recommends the time and materials agreement from CASM for a Not To Exceed price of \$8,000. CASM was the only bid received.
14. PV Gate Reserve Fund: **NONE**
15. Capital Improvement Fund Requests: **NONE**

16. Voluntary Contribution Fund: **NONE**

17. Old Business: **NONE**

18. New Business:

- A. Accept the independent audit performed by Kimberlin Company, PLLC of the Association's 2023 financial records as per the official audit report. **(TAB #5)**
- B. Approve the appointments of Bob Thomas (term ending 10/24), Ray Texiera (term ending 10/25), and Heather Kalin (term ending 10/25) to the Recreation / Entertainment Committee. **(TAB #10)**
- C. Approve the April 18, 2024 Cottonwood Pool Project Workshop Meeting Minutes. **(TAB #11)**

19. First Readings:

- A. Accept/Adopt the amended Facilities & Grounds 2024 Capital Projects List. **(TAB #6)**
- B. Approve changes to Board Policy 11-02, Campaign Signage and Flyers. **(TAB #7)**
- C. Approve the updated 5-Year Golf Strategic Plan which includes the 5-year water plan. **(TAB #9)**

20. Homeowner Comments

21. Adjourn Meeting

| COMMITTEE NAME | MEETING DATE | TIME | LOCATION |
|-----------------------------------|----------------------|-------------|-------------------|
| ARCHITECTURAL COMPLIANCE | Tuesday, May 14 & 28 | 8:30am | CLC Phoenix Room |
| AUDIT & FINANCE | Thursday, May 2 | 2:00pm | CLC Meeting Rm #1 |
| COMMUNICATIONS | Monday, May 6 | 9:30am | CLC Meeting Rm #1 |
| ELECTION | Off For The Summer | 3:00pm | CLC Meeting Rm #1 |
| FACILITIES & GROUNDS | Tuesday, May 7 | 10:00am | CLC Phoenix Room |
| FOOD & BEVERAGE | Thursday, May 2 | 9:00am | CLC Phoenix Room |
| GOLF | Wednesday, May 1 | 2:00pm | CLC Phoenix Room |
| RECREATION / ENTERTAINMENT | Tuesday, May 7 | 9:00am | CLC Lecture Hall |
| SAFETY & SECURITY | Wednesday, May 1 | 10:00am | CLC Meeting Rm #1 |

SUN LAKES HOMEOWNERS ASSOCIATION #2
INCOME AND EXPENSE SUMMARY
March 31, 2024
(Unaudited)

| | CURRENT MONTH ACTUAL | YEAR TO DATE ACTUAL | YEAR TO DATE BUDGET | VARIANCE \$\$\$ | YEAR TO DATE PRIOR YEAR | YTD Var to Budget %%% | YTD Var to PY %%% |
|---|-------------------------|------------------------|------------------------|--------------------|----------------------------|-----------------------------|-------------------------|
| REVENUES: | | | | | | | |
| HOA DUES | \$ 467,371 | \$ 1,416,592 | \$ 1,414,228 | \$ 2,364 | \$ 1,232,127 | 0.2% | 15.0% |
| RECREATION | 33,754 | 119,890 | 92,275 | 27,615 | 111,142 | 29.9% | 7.9% |
| FOOD & BEVERAGE | 573,819 | 1,540,514 | 1,605,227 | (64,713) | 1,528,332 | -4.0% | 0.8% |
| GOLF | 391,843 | 1,088,419 | 1,038,365 | 50,054 | 975,472 | 4.8% | 11.6% |
| MISCELLANEOUS (CARRY FORWARD FUND, TRANSFER FEES, INTEREST, ETC) | 18,360 | 48,845 | 54,000 | (5,155) | 189,875 | -9.5% | -74.3% |
| | | | | - | | | |
| TOTAL REVENUES | \$ 1,485,147 | \$ 4,214,260 | \$ 4,204,095 | \$ 10,165 | \$ 4,036,948 | 0.24% | 4.4% |
| EXPENSES: | | | | | | | |
| ADMINISTRATION (1) | \$ 182,375 | \$ 599,349 | \$ 552,945 | \$ (46,404) | \$ 548,877 | -8.4% | -9.2% |
| RECREATION | 29,853 | 90,872 | 97,224 | 6,352 | 97,383 | 6.5% | 6.7% |
| PATROL | 35,807 | 108,143 | 109,721 | 1,578 | 104,745 | 1.4% | -3.2% |
| LANDSCAPING | 86,374 | 231,544 | 291,967 | 60,423 | 246,473 | 20.7% | 6.1% |
| CUSTODIAL | 61,538 | 183,214 | 186,882 | 3,668 | 177,527 | 2.0% | -3.2% |
| FACILITIES | 56,573 | 157,364 | 171,941 | 14,577 | 173,139 | 8.5% | 9.1% |
| POOLS | 36,581 | 122,277 | 114,169 | (8,108) | 116,361 | -7.1% | -5.1% |
| FOOD & BEVERAGE | 494,081 | 1,416,558 | 1,466,022 | 49,464 | 1,374,970 | 3.4% | -3.0% |
| GOLF PROSHOPS & MAINTENANCE | 299,150 | 785,130 | 859,472 | 74,342 | 735,579 | 8.6% | -6.7% |
| TOTAL EXPENSES | \$ 1,282,332 | \$ 3,694,451 | \$ 3,850,343 | \$ 155,892 | \$ 3,575,054 | 4.0% | -3.3% |
| NET INCOME | \$ 202,815 | \$ 519,809 | \$ 353,752 | \$ 166,057 | \$ 461,894 | 46.9% | 12.5% |
| PALO VERDE GATE (2) | | | | | | | |
| Revenues | \$ 21,979 | \$ 65,288 | \$ 65,794 | \$ (506) | \$ 62,557 | -0.8% | 4.4% |
| Expenses | 22,565 | 67,180 | 66,185 | (995) | 62,560 | -1.5% | 7.4% |
| NET INCOME | \$ (586) | \$ (1,892) | \$ (391) | \$ (1,501) | \$ (3) | -2.3% | -62966.7% |
| DEPRECIATION EXPENSE | \$ 71,000 | \$ 212,000 | \$ 212,000 | \$ - | \$ - | 0.0% | |
| CONSOLIDATED NET INCOME | \$ 131,229 | \$ 305,917 | \$ 141,361 | \$ 164,556 | \$ 461,891 | 116.4% | -33.8% |

- (1) Administration includes Fitness Center and Misc Homeowner Services.
(2) Palo Verde Gate expenses are paid only by the Palo Verde Residents.

Special Funds
March 31, 2024

| | Capital Reserve Fund (1) | Capital Improvement Fund (2) | Palo Verde Gate Fund (3) |
|------------------------------------|--------------------------------|------------------------------------|--------------------------------|
| Fund Balance January 1, 2024 | \$ 5,962,076 | \$ 672,170 | \$ 3,482 |
| Additions from Dues, Fees, etc | 109,952 | - | |
| Cell Tower Income | 247,962 | - | |
| Interest Earned | 35,146 | 11,823 | |
| Expenditures for: | | | |
| Golf Courses & Equipment | (91,378) | - | |
| HOA-Several Items | (5,705) | (20,693) | |
| Fund Balance March 31, 2024 | \$ 6,258,053 | \$ 663,300 | \$ 3,482 |

Notes:

- (1) Funds set aside to replace worn out equipment, building parts, etc.
(2) Funds set aside to improve and/or add to existing facilities.
(3) Funds set aside to replace worn out parts and improve the PV gate (funding from PV residents only).

Number of homes sold in March 2024 was 27. March 2024 YTD totaled 48 resulting in revenue of \$168,000 YTD 2024 (\$3,500 Ave)

Number of homes sold in March 2023 was 21. March 2023 YTD totaled 50 resulting in revenue of \$99,500 YTD (\$1,990 Ave)