

**BOARD OF DIRECTORS MEETING
AUGUST 28, 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 July 31, 2024 Board Meeting Minutes. **(TAB #1)**
5. President’s Message
6. Employee of the Month, August 2024
7. Treasurer’s Report
 - A. Controller’s Report (Brian Sage)
8. Committee and Task Force Reports
 - A. Architectural Compliance Committee (Maryann Sinerius)
 - B. Audit & Finance Committee (Denise Orthen)
 - C. Communications Committee (Denise Haynie)
 - D. CW Pool Project Task Force (Marty Neilson)
 - E. Election Committee **(No Meeting)**
 - F. Facilities & Grounds Committee **(No Meeting)**
 - G. Food & Beverage Committee (Jean Nelson)
 - H. Golf Committee (Pat Shouse)
 - I. Reciprocal Task Force (Glenn Martinsen)
 - J. Recreation / Entertainment Committee (John Adam)
 - K. Technology Task Force (Tami Ronnfeldt)
 - L. Safety & Security Committee **(No Meeting)**
9. Project Report: **NONE**
10. Management Report (Steve Hardesty)
11. Directors Comments
12. Capital Reserve Replacement Fund Requests:
 - A. Management recommends replacing and upgrading the current Flat Top Grill Unit at the Palo Verde kitchen with a Flat Top Grill Combination Unit that includes a Flat Top Grill with a Refrigerated Chef Base underneath the grill. The current unit is non-commercial grade, has been repaired twice this year, and is currently not working again. Each repair is over \$1,000. (Asset#2320/YTBR:2031*) **(TAB #2)**

Supplies on the Fly, A Sysco Company	\$8,402
Restaurant Supply	\$9,464
Webstaurant – Bid Disqualified	\$8,800+++

Management recommends the low bid from Supplies on the Fly, A Sysco Company for a total price of \$8,402.
 - B. Management recommends replacing the items that were damaged during the fire in the Cottonwood Kitchen, including 2 Soup Warmers, 2 Toaster Ovens, 1 Sandwich/Salad Prep Cooler. (Asset#746/YTBR:2022) **(TAB #3)**

Supplies on the Fly	\$4,903 (includes tax & shipping)
Restaurant Supply	\$4,867 (not including tax or shipping)
Webstaurant	\$4,867 (not including tax or shipping)

Management recommends the bid from Supplies on the Fly for a total price of \$4,903. The Soup Warmers and Toaster Ovens will be paid from Capital Improvement Funds.

- C. Management recommends replacing Menu Covers in the Food and Beverage Department. 275 covers will be used for the regular food menu at the Palo Verde Restaurant and 200 beverage/dessert covers to be split between the Palo Verda and Cottonwood Restaurants. (Asset#2337/YTBR:2025) **(TAB #4)**

Supplies on the Fly, A Sysco Company	\$18,025
Webstaurant	\$20,905

Management recommends the bid from Supplies on the Fly, A Sysco Company for a total price of \$18,025.

13. PV Gate Reserve Fund: **NONE**

14. Voluntary Contribution Fund: **NONE**

15. Capital Improvement Fund Requests:

- A. Management requests a Not To Exceed (NTE) Budget Authority of \$30,000 for a series of improvements at the Palo Verde Restaurant including items such as new name tags, uniform updates, plates and bowls for new menu items, a complete matching set of silverware, bar supplies, and various kitchen cookware. **(TAB #9)**

16. Old Business:

- A. Approve changes to Board Policy 8-02A, Facility Use Regulations Other Amenities. **(TAB #5)**

17. New Business:

- A. Approve the appointment of Dan Morson to the Reciprocal Task Force: **(TAB #6)**

18. First Readings:

- A. Approve the Food & Beverage Committee 5-Year Strategic Plan. **(TAB #7)**
- B. Approve increasing the Rental Processing Fee to \$250 effective October 1, 2024. **(TAB #8)**

19. Homeowner Comments

20. Adjourn Meeting

COMMITTEE NAME	MEETING DATE	TIME	LOCATION (CLC)
ARCHITECTURAL COMPLIANCE	Tuesday, Sept. 10 & 24	8:30am	Phoenix Room
AUDIT & FINANCE	Thursday, Sept. 5	2:00pm	Meeting Rm #1
COMMUNICATIONS	Wednesday, Sept. 9	9:30am	Meeting Rm #1
CW POOL TASK FORCE	Tuesday, Sept. 3	2:00pm	Lecture Hall
ELECTION	Wednesday, Sept. 4	3:00pm	Meeting Rm #1
FACILITIES & GROUNDS	Tuesday, Sept. 3	10:00am	Phoenix Room
FOOD & BEVERAGE	Thursday, Sept. 5	9:00am	Phoenix Room
GOLF	Wednesday, Sept. 4	2:00pm	Phoenix Room
RECREATION / ENTERTAINMENT	Tuesday, Sept. 10	10:00am	Lecture Hall
RECIPROCAL TASK FORCE	Monday, Sept. 9	9:00am	Meeting Room #2
SAFETY & SECURITY	Wednesday, Oct. 2	10:00am	Meeting Rm #1
TECHNOLOGY TASK FORCE	Wednesday, Sept. 11	10:30am	Meeting Room #1

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

	CURRENT MONTH	YEAR TO DATE	YEAR TO DATE	VARIANCE	YEAR TO DATE	YTD Var to Budget	YTD Var to PY
	ACTUAL	ACTUAL	BUDGET	\$\$\$	PRIOR YEAR	%%%	%%%
REVENUES:							
HOA DUES	\$ 482,567	\$ 3,311,025	\$ 3,298,201	\$ 12,824	\$ 2,870,923	0.4%	15.3%
RECREATION	10,948	176,699	171,990	4,709	158,571	2.7%	11.4%
FOOD & BEVERAGE	239,387	2,844,112	3,064,373	(220,261)	2,923,581	-7.2%	-2.7%
GOLF	216,551	2,150,584	2,079,093	71,491	1,951,744	3.4%	10.2%
MISCELLANEOUS (CARRY FORWARD FUND, TRANSFER FEES, INTEREST, ETC)	17,809	125,332	126,000	(668)	435,243	-0.5%	-71.2%
				-			
TOTAL REVENUES	\$ 967,262	\$ 8,607,752	\$ 8,739,657	\$ (131,905)	\$ 8,340,062	-1.51%	3.2%
EXPENSES:							
ADMINISTRATION (1)	\$ 174,949	\$ 1,322,679	\$ 1,254,669	\$ (68,010)	\$ 1,242,366	-5.4%	-6.5%
RECREATION	17,495	168,840	184,040	15,200	189,275	8.3%	10.8%
PATROL	36,987	253,541	256,017	2,476	249,806	1.0%	-1.5%
LANDSCAPING	129,140	630,639	740,331	109,692	620,869	14.8%	-1.6%
CUSTODIAL	56,068	416,457	436,057	19,600	418,819	4.5%	0.6%
FACILITIES	61,137	385,255	416,712	31,457	397,081	7.5%	3.0%
POOLS	29,178	242,475	231,478	(10,997)	232,316	-4.8%	-4.4%
FOOD & BEVERAGE	322,912	2,892,531	3,040,786	148,255	2,907,056	4.9%	0.5%
GOLF PROSHOPS & MAINTENANCE	317,551	1,916,720	2,026,226	109,506	1,841,148	5.4%	-4.1%
TOTAL EXPENSES	\$ 1,145,417	\$ 8,229,137	\$ 8,586,316	\$ 357,179	\$ 8,098,736	4.2%	-1.6%
NET INCOME	\$ (178,155)	\$ 378,615	\$ 153,341	\$ 225,274	\$ 241,326	146.9%	56.9%
PALO VERDE GATE (2)							
Revenues	\$ 21,725	\$ 152,550	\$ 153,518	\$ (968)	\$ 145,642	-0.6%	4.7%
Expenses	22,245	150,101	154,077	3,976	146,566	2.6%	2.4%
NET INCOME	\$ (520)	\$ 2,449	\$ (559)	\$ 3,008	\$ (924)	-2.3%	365.0%
DEPRECIATION EXPENSE	\$ 71,000	\$ 496,000	\$ 496,000	\$ -	\$ 496,000	0.0%	
CONSOLIDATED NET INCOME	\$ (249,675)	\$ (114,936)	\$ (343,218)	\$ 228,282	\$ (255,598)	66.5%	55.0%

Note:

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

Special Funds
 July 31, 2024

	Capital Reserve Fund (1)	Capital Improvement Fund (2)	Palo Verde Gate Fund (3)	Capital Reserve Fund	Capital Reserve Fund
Fund Balance January 1, 2024	\$ 5,962,076	\$ 672,170	\$ 3,482		
Additions from Dues, Fees, etc	467,452	100,000		Home Sales	Home Sales
Cell Tower Income	247,962	-		141	85
Interest Earned	78,984	11,828			
Expenditures for:				\$ 3,500	\$ 1,500
Golf Courses & Equipment	(371,269)	-		493,500	127,500
HOA-Several Items	(122,491)	(95,550)		YTD	APRIL 1ST
Fund Balance July 31, 2024	\$ 6,262,714	\$ 688,448	\$ 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 July 2024 was 18. July 2024 YTD totaled 141 resulting in revenue of \$621,000 YTD 2024 (\$4,404 Ave)

Number of homes sold in July 2023 was 16. July 2023 YTD totaled 148 resulting in revenue of \$342,250 YTD (\$2,313 Ave)