

BOARD OF DIRECTORS MEETING
JANUARY 31, 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 December 27, 2023 Board Meeting Minutes. **(TAB #1)**
5. President’s Message
6. Employee of the Month, January 2024
7. Treasurer’s Report
8. Committee and Task Force Reports
 - A. Architectural Compliance Committee (Len Horst)
 - B. Audit & Finance Committee (Denise Orthen)
 - C. Communications Committee (Linda Grendahl)
 - D. Election Committee (Jack Dryer)
 - E. Facilities & Grounds Committee (Ann Thomas)
 - F. Food & Beverage Committee (Jean Nelson)
 - G. Golf Committee (Pat Shouse)
 - H. Recreation / Entertainment Committee (John Adam)
 - I. Safety & Security Committee (Mike Rogers)
9. Project Report: **NONE**
10. Management Report (Steve Hardesty)
 - A. Open Capital Project 2023 - Information **(TAB #2)**
11. Directors Comments
12. Capital Reserve Replacement Fund Requests:
 - A. Management recommends making major repairs to two (2) HVAC Units that sit on top of the Fitness Activity Center Building. During the late 2023 summer, these units were damaged by some unknown electrical issue causing failure of the compressors. Some of the parts for these repairs are under factory warranty, but the labor, additional parts and non-warranty items need to be replaced at the same time. Asset#915 & #916 / YTBR: 2035 **(TAB #3)**

Rainforest Plumbing and Air	\$12,512+\$2,000 Contingency=\$14,512
C.A.S.M.	\$12,749
Parker and Sons	\$27,242

Management recommends the low bid from Rainforest Plumbing and Air for a cost of \$12,512 plus a \$2,000 Contingency for a total budget authority of \$14,512.
 - B. Management recommends replacing one of the two current pool heaters at the Palo Verde Pool. During the early days of January, the heater unit failed leaving the Palo Verde pool with one working heater and requiring an emergency purchase. Asset#2207 / YTBR: 2022 **(TAB #4)**

Superior Pool Products	\$5,705
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Management recommends the bid from Superior Pool Products in the amount of \$5,705.
 - C. Management recommends the installation of 33 satellite control pedestals for previously purchased equipment at the Palo Verde Golf Course. Asset#2106 (185) / YTBR: 2025 **(TAB #5)**

Turf Supplies	\$41,500+10% Contingency=\$45,650
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Management recommends the sole source bid from Turf Supplies in the amount of \$41,500 plus a 10% contingency for a total budget authority amount of \$45,650.

- D. Management recommends the installation of irrigation sprinkler heads for previously purchased equipment at the Palo Verde Golf Course. This bid includes turnkey installation of 1,315 large irrigation sprinkler heads, 1,000 small irrigation sprinkler heads, swing joints, gate valves, and other smaller items. Asset#186-7, 187-2, 193, 194, 195-1 / YTBR: Varies according to item. **(TAB #6)**

Turf Supplies \$281,410+10% Contingency=\$309,550

Management recommends the sole source bid from Turf Supplies in the amount of \$281,410 plus a 10% contingency for a total budget authority amount of \$309,550.

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

14. Capital Improvement Fund Requests:

- A. Management recommends the purchase and installation of two (2) Manitowoc ice machines to service golfers at Cottonwood Country Club and Palo Verde Country Club. **(TAB #7)**

Manitowac	\$11,814 per unit
Ice-O-Matic	\$11,849 per unit
Scotsman	\$12,049 per unit

Management recommends the low bid from FAIR Refrigeration for two (2) Manitowac ice machine units with a unit price of \$11,814 plus an additional \$11,000 approximate budget authority for infrastructure work for a total budget authority Not To Exceed (NTE) \$35,000.

15. Voluntary Contribution Fund: **NONE**

16. Old Business:

- A. Approve Changes to Board Policy #10-09; Audit & Finance Committee Charter **(TAB #8)**

17. New Business:

- A. Approve the Election Committee’s Goals and Objectives for 2024. **(TAB #9)**

18. First Readings:

- A. Approve Changes to Board Policy 7-50; Tennis Court Regulations. **(TAB #10)**

19. Homeowner Comments

20. Adjourn Meeting

COMMITTEE NAME	MEETING DATE	TIME	LOCATION
ARCHITECTURAL COMPLIANCE	Tuesday, Feb. 13 & 27	8:30am	CLC Phoenix Room
AUDIT & FINANCE	Thursday, Feb. 1	2:00pm	CLC Meeting Rm #1
COMMUNICATIONS	Monday, Feb. 5	9:30am	CLC Meeting Rm #1
ELECTION	Wednesday, Feb. 7	3:00pm	CLC Meeting Rm #1
FACILITIES & GROUNDS	Tuesday, Feb. 6	10:00am	CLC Phoenix Room
FOOD & BEVERAGE	Thursday, Feb. 1	9:00am	CLC Phoenix Room
GOLF	Wednesday, Feb. 7	2:00pm	CLC Phoenix Room
RECREATION / ENTERTAINMENT	Tuesday, Feb. 6	9:00am	CLC Lecture Hall
SAFETY & SECURITY	Wednesday, Feb. 7	10:00am	CLC Meeting Rm #1

SUN LAKES HOMEOWNERS ASSOCIATION #2
INCOME AND EXPENSE SUMMARY
December 31, 2023
(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	\$ 445,464	\$ 4,949,475	\$ 4,900,310	\$ 49,165	\$ 4,960,949	1.0%	-0.2%
RECREATION	34,983	293,254	288,310	4,944	205,227	1.7%	42.9%
FOOD & BEVERAGE	451,037	4,738,035	4,714,135	23,900	4,710,827	0.5%	0.6%
GOLF	278,783	3,167,559	3,273,920	(106,361)	2,970,792	-3.2%	6.6%
MISCELLANEOUS (CARRY FORWARD FUND, TRANSFER FEES, INTEREST, ETC)	58,924	732,339	687,460	44,879	712,158	6.5%	2.8%
TOTAL REVENUES	\$ 1,269,191	\$ 13,880,662	\$ 13,864,135	\$ 16,527	\$ 13,559,953	0.12%	2.4%
EXPENSES:							
ADMINISTRATION	\$ 291,895	\$ 2,243,561	\$ 2,003,350	\$ (240,211)	\$ 1,972,551	-12.0%	-13.7%
RECREATION	40,484	333,261	335,583	2,322	299,495	0.7%	-11.3%
PATROL	42,997	435,791	414,698	(21,093)	414,456	-5.1%	-5.1%
LANDSCAPING	103,830	1,113,768	1,174,626	60,858	1,068,204	5.2%	-4.3%
CUSTODIAL	87,899	738,467	713,005	(25,462)	652,885	-3.6%	-13.1%
FACILITIES	58,209	668,411	686,645	18,234	634,777	2.7%	-5.3%
POOLS	43,730	387,725	373,000	(14,725)	347,653	-3.9%	-11.5%
FOOD & BEVERAGE	536,926	4,964,248	4,779,320	(184,928)	4,867,892	-3.9%	-2.0%
GOLF PROSHOPS & MAINTENANCE	389,017	3,422,382	3,386,008	(36,374)	3,137,576	-1.1%	-9.1%
TOTAL EXPENSES	\$ 1,594,987	\$ 14,307,614	\$ 13,866,235	\$ (441,379)	\$ 13,395,489	-3.2%	-6.8%
NET INCOME	\$ (325,796)	\$ (426,952)	\$ (2,100)	\$ (424,852)	\$ 164,464	-20231.0%	359.6%
Funds Previously allocated for Reserve Funds:	\$ 426,952	\$ 426,952	\$ -	\$ 426,952	\$ -		
NET INCOME - REVISED	\$ 101,156	\$ -	\$ (2,100)	\$ 2,100	\$ 164,464	100.0%	100.0%
PALO VERDE GATE (2)							
Revenues	\$ 20,412	\$ 249,634	\$ 250,644	\$ (1,010)	\$ 239,260	-0.4%	4.3%
Expenses	25,695	258,778	250,644	(8,134)	244,678	-3.2%	5.8%
NET INCOME	\$ (5,283)	\$ (9,144)	\$ 0	\$ (9,144)	\$ (5,418)	-2.3%	-68.8%

Note:

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

Special Funds
December 31, 2023

	Capital Reserve Fund (1)	Capital Improvement Fund (2)	Palo Verde Gate Fund (3)
Fund Balance January 1, 2023	\$ 6,397,600	\$ 965,888	\$ 3,482
Additions from Dues, Fees, etc	1,245,969	177,640	-
Interest Earned	92,624	11,250	-
Expenditures for:			
Golf Courses & Equipment	(1,112,084)	(28,405)	-
HOA-Severel Items	(662,033)	(454,203)	-
Fund Balance December 31, 2023	\$ 5,962,076	\$ 672,170	\$ 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 December 2023 was 17. December 2023 YTD totaled 224 resulting in revenue of \$582,250 YTD 2023 (\$2,599 Ave)

Number of homes sold in December 2022 was 15. December 2022 YTD totaled 286 resulting in revenue of \$494,914 YTD (\$1,730 Ave)