

**BOARD OF DIRECTORS MEETING  
JANUARY 29, 2025  
3:00 P.M., SAN TAN BALLROOM  
AGENDA**

1. Call to Order
2. Pledge of Allegiance
3. Introduction of Managers
4. Approve the December 30, 2024 Board Meeting Minutes. **(TAB #1)**
5. Employee of the Month, January 2025
6. Employee of the Year 2024
7. Treasurer's Report
  - A. Controller's Report
8. Committee and Task Force Reports
  - A. Safety & Security Committee (*Mike Rogers*)
  - B. Recreation / Entertainment Committee (*Mike Swoverland*)
  - C. Reciprocal Task Force (*Glenn Martinsen*)
  - D. Golf Committee (*Diane French*)
  - E. Food & Beverage Committee (*Jean Nelson*)
  - F. Facilities & Grounds Committee (*Gregg Lorimor*)
  - G. Election Committee (*Jack Dreyer*)
  - H. Communications Committee (*Denise Haynie*)
  - I. Audit & Finance Committee (*Denise Orthen*)
  - J. Architectural Compliance Committee (*Maryann Sinerius*)
9. Project Report: **NONE**
10. Management Report (Steve Hardesty)
11. Directors Comments
12. Capital Reserve Replacement Fund Requests:
  - A. Management recommends replacing two (2) Toro Workman Utility Vehicles with new Units with the same features. The current Units have served their useful life and no longer serve the functions that are required. (Asset#307, Purchased 2016 / Asset #313, Purchased 2007) **(TAB #2)**

Simpson Norton	\$37,122/unit x 2 + freight + 5% Contingency=\$83,804
Turf Star Western	\$40,541/unit
Professional Turf Products	\$44,988/unit

Management recommends the low bid from Simpson Norton of \$37,122/unit plus freight and a 5% contingency for a total budget authority of \$84,000.
  - B. Management recommends the emergency repair to over 160 linear feet of irrigation pipe that connects a water well owned by Pima Water to the irrigation lake on hole #4/5 at Cottonwood Golf Course. (Asset#1113, Year in Service 1992) **(TAB #3)**

Turf Supplies	\$12,940
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Management recommends the retroactive approval of the sole source bid from Turf Supplies for \$12,940.

- C. Management recommends replacing the water heater that serves the Palo Verde Restaurant with a tankless version. Staff feels confident that the tankless version will be much longer lasting and should provide more efficient operating costs. (Asset#2355, Purchased 2018, Replaced by Warranty 2021. **(TAB #4)**)

ABC Plumbing	\$16,500 + New Gas Line & Contingency = \$21,000
Agave Plumbing	\$16,750
Parker and Sons	\$42,459
AZ Advance Plumbing	Disqualified

Management recommends the bid from ABC Plumbing in the amount of \$16,500 plus an additional \$3,500 for a larger gas line and \$1,000 contingency for a total budget authority of \$21,000.

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

14. Voluntary Contribution Fund: **NONE**

15. Capital Improvement Fund Requests:

- A. Management recommends the installation of a new door featuring panic hardware to secure the Glass Kiln Room. This recommendation was brought to management by the Safety & Security Committee after a meeting with the Fire Marshal and staff. **(TAB #5)**

Level Build	\$1,460 + Locksmith + Contingency=\$1,954
Elite Handyman	\$1,788
Infinity Precision Builder	\$1,995

Management recommends the bid from Level Build in the amount of \$1,460 plus an additional \$275 for a locksmith and a 15% contingency of \$219 for in-house work for a total budget authority of \$1,954.

- B. Management recommends removal of eucalyptus trees in common areas that are negatively impacted by the invasion of cormorants. The initial phase of this project would begin in and around the common areas of Lake 12 in CottonVerde. A mitigation project was recommended by the Facilities and Grounds Committee. **(TAB #6)**

Management recommends a total Not-to-Exceed Budget Authority of \$50,000.

16. Old Business:

- A. Consider the changes made to CW Pool Design 3.5 for Approval of the Final Updated CW Pool Conceptual Design Version 4.0. **(TAB #7)**
- B. Approve the Golf Committee’s 5-Year Plan with Updates. **(TAB #9)**
- C. Approve updated BP 6-04, Rental Policy. **(TAB #16)**

17. New Business:

- A. Approve the difference in spending of 2024 Capital Projects which were initially approved amounts. **(TAB #10)**
- B. Approve the appointment of Jim Rumpler to the Election Committee. **(TAB #11)**
- C. Approve the appointment of Sandra Givens to the Facilities & Grounds Committee. **(TAB #12)**

18. First Readings:

- A. Approve HOA Rules Document (version 3). This is an update from last month’s HOA Rules Document (version 2) that was in First Readings. **(TAB #8)**
- B. Approve the Golf Committee’s Updated Charter. **(TAB #13)**
- C. Approve the Communications Committee’s 5-Year Plan. **(TAB #14)**
- D. Approve the Safety & Security Committee’s Long Range Plan. **(TAB #15)**

- 19. Homeowner Comments
- 20. President's Message
- 21. Adjourn Meeting

<b>COMMITTEE NAME</b>	<b>MEETING DATE</b>	<b>TIME</b>	<b>LOCATION (CLC)</b>
ARCHITECTURAL COMPLIANCE	Tuesday, Feb. 11 & 25	8:30am	Phoenix Room
AUDIT & FINANCE	Thursday, Feb. 6	2:00pm	Meeting Rm #1
COMMUNICATIONS	Monday, Feb. 3	9:30am	Meeting Rm #1
ELECTION	Wednesday, Feb. 5	3:00pm	Meeting Rm #1
FACILITIES & GROUNDS	Tuesday, Feb. 4	10:00am	Phoenix Room
FOOD & BEVERAGE	Thursday, Feb. 6	9:00am	Phoenix Room
GOLF	Wednesday, Feb. 5	2:00pm	Phoenix Room
RECREATION / ENTERTAINMENT	Tuesday, Feb. 11	10:00am	Lecture Hall
RECIPROCAL TASK FORCE	Monday, Feb. 10	9:00am	Phoenix Room
SAFETY & SECURITY	Wednesday, Feb. 5	10:00am	Meeting Rm #1

**SUN LAKES HOMEOWNERS ASSOCIATION #2**  
**INCOME AND EXPENSE SUMMARY**  
 December 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	%%%	%%%
<b>REVENUES:</b>							
HOA DUES	\$ 471,070	\$ 5,665,589	\$ 5,656,921	\$ 8,668	\$ 4,949,475	0.2%	14.5%
RECREATION	38,055	299,059	301,865	(2,806)	294,909	-0.9%	1.4%
FOOD & BEVERAGE	449,999	4,682,277	5,037,136	(354,859)	4,738,339	-7.0%	-1.2%
GOLF	317,572	3,500,986	3,429,300	71,686	3,167,571	2.1%	10.5%
MISCELLANEOUS (CARRY FORWARD FUND, TRANSFER FEES, INTEREST, ETC)	6,249	184,524	216,000	(31,476)	371,073	-14.6%	-50.3%
				-			
<b>TOTAL REVENUES</b>	<b>\$ 1,282,945</b>	<b>\$ 14,332,435</b>	<b>\$ 14,641,222</b>	<b>\$ (308,787)</b>	<b>\$ 13,521,367</b>	<b>-2.1%</b>	<b>6.0%</b>
<b>EXPENSES:</b>							
ADMINISTRATION (1)	\$ 222,079	\$ 2,250,710	\$ 2,132,052	\$ (118,658)	\$ 2,260,215	-5.6%	0.4%
RECREATION	37,541	303,364	331,790	28,426	333,435	8.6%	9.0%
PATROL	40,300	438,410	438,882	472	435,791	0.1%	-0.6%
LANDSCAPING	90,748	1,123,163	1,215,643	92,480	1,116,138	7.6%	-0.6%
CUSTODIAL	61,070	710,210	747,523	37,313	738,467	5.0%	3.8%
FACILITIES	57,360	668,600	718,909	50,309	668,411	7.0%	0.0%
POOLS	34,525	375,629	382,352	6,723	387,725	1.8%	3.1%
FOOD & BEVERAGE	450,057	4,899,104	5,113,046	213,942	4,973,803	4.2%	1.5%
GOLF PROSHOPS & MAINTENANCE	270,033	3,377,811	3,560,257	182,446	3,440,400	5.1%	1.8%
<b>TOTAL EXPENSES</b>	<b>\$ 1,263,713</b>	<b>\$ 14,147,001</b>	<b>\$ 14,640,454</b>	<b>\$ 493,453</b>	<b>\$ 14,354,385</b>	<b>3.4%</b>	<b>1.4%</b>
<b>NET INCOME</b>	<b>\$ 19,232</b>	<b>\$ 185,434</b>	<b>\$ 768</b>	<b>\$ 184,666</b>	<b>\$ (833,018)</b>	<b>24045.1%</b>	<b>-122.3%</b>
<b>PALO VERDE GATE (2)</b>							
Revenues	\$ 20,349	\$ 260,995	\$ 263,174	\$ (2,179)	\$ 249,634	-0.8%	4.6%
Expenses	21,077	256,816	263,942	7,126	258,778	2.7%	-0.8%
<b>NET INCOME</b>	<b>(728)</b>	<b>4,179</b>	<b>(768)</b>	<b>4,947</b>	<b>(9,144)</b>	<b>-2.3%</b>	<b>145.7%</b>
<b>DEPRECIATION EXPENSE (3)</b>	<b>\$ 1,174,887</b>	<b>\$ 1,954,887</b>	<b>\$ 1,954,887</b>	<b>\$ -</b>	<b>\$ 842,789</b>	<b>0.0%</b>	
<b>CONSOLIDATED NET INCOME</b>	<b>\$ (1,156,383)</b>	<b>\$ (1,765,274)</b>	<b>\$ (1,954,887)</b>	<b>\$ 189,613</b>	<b>\$ (1,684,951)</b>	<b>9.7%</b>	<b>-4.8%</b>

**Note:**

- (1) Administration includes Fitness Center and Misc Homeowner Services.
- (2) Palo Verde Gate expenses are paid only by the Palo Verde Residents.
- (3) Depreciation had a True up in December to get to GAAP recording vs. the previous Tax Method recording.

**Special Funds**  
December 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	1,526,843	150,000		Home Sales	Home Sales
Cell Tower Income	247,962	-		217	145
Interest Earned	258,636	21,976			
Expenditures for:				\$ 3,500	\$ 1,500
Golf Courses & Equipment	(507,023)	-		759,500	217,500
HOA-Several Items	(239,784)	(147,872)		YTD	APRIL 1ST
<b>Fund Balance December 31, 2024</b>	<b>\$ 7,248,710</b>	<b>\$ 696,274</b>	<b>\$ 3,482</b>		

**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 2024 was 16. December 2024 YTD totaled 217 resulting in revenue of \$998,000 YTD 2024 (\$4,599 Ave)

Number of homes sold in December 2023 was 17. December 2023 YTD totaled 224 resulting in revenue of \$582,250 YTD (\$2,599 Ave)