

**BOARD OF DIRECTORS MEETING  
JULY 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 June 26, 2024 Board Meeting Minutes. **(TAB #1)**
5. President's Message
6. Employee of the Month, July 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 (*No Meeting*)
  - C. Communications Committee (*No Meeting*)
  - D. CW Pool Project Task Force (Marty Neilson)
  - E. Election Committee (*No Meeting*)
  - F. Facilities & Grounds Committee (*No Meeting*)
  - G. Food & Beverage Committee (*No Meeting*)
  - H. Golf Committee (*No Meeting*)
  - 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 the current lake fountain on Lake 12 with a new AquaMaster fountain. (Asset#412/YTBR:2022) **(TAB #2)**

Balanced Aquatics, Inc.	\$15,999 + 10% contingency = \$17,599
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Management recommends the single source bid from Balanced Aquatics for a price of \$15,999 plus a 10% Contingency for a total price of \$17,599. Staff used a single source bid because Balanced Aquatics is the dealer for this brand of fountain and this fountain is compatible with other fountains on the property.
  - B. Management recommends replacing the current driving range netting at the Cottonwood Golf Course and replacing the damaged privacy/wind screen that shields the maintenance yard. (Asset#1104/YTBR:2022) **(TAB #3)**

All Pro Fence	\$20,104+ 10% contingency = \$22,115
Tennis Equipment Sales & Service	\$30,743
Shade & Net	No Bid

Management recommends the bid from All Pro Fence for a price of \$20,104 plus a 10% Contingency for a total price of \$22,115.

- C. Management recommends the emergency replacement of the HVAC Unit that serves a portion of the Palo Verde Kitchen. The previous HVAC Unit had a catastrophic failure and cannot be repaired. (Asset#2158/YTBR:2026) **(TAB #4)**

Monster Air \$12,812 + 10% contingency = \$14,093

Management recommends the sole source bid from Monster Air for a price of \$12,812 plus a 10% Contingency for a total price of \$14,093.

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

14. Voluntary Contribution Fund:

- A. The Palo Verde Men’s, Ladies, and Couples Groups donation of \$3,000 toward the purchase of 40 patio chairs at the Palo Verde Golf Pro Shop patio. (Item #15.A.)

15. Capital Improvement Fund Requests:

- A. Management recommends the purchase of 40 patio chairs to be added to the inventory at the Palo Verde Golf Pro Shop patio. **(TAB #5)**

Resort Contract Furnishings	\$7,372 + 10% contingency = \$8,109
Babmar Corporation	\$13,935
Paddy O	\$29,932

Management recommends the bid from Resort Contract Furnishings in the amount of \$7,372 plus a 10% contingency of \$737 for a total budget authority of \$8,109. A portion of the purchase price will be offset by a \$3,000 donation from the Palo Verde Men’s, Ladies, and Couples Groups. (Item #14.A.)

16. Old Business:

- A. Update The Request for Qualifications for Conceptual Design Services of the Sun Lakes HOA #2 Cottonwood Pool to local architectural firms. **(TAB #6)**

17. New Business:

- A. Approve the appointments of the following Task Force Members: **(TAB #8)**
- **Cottonwood Pool Project Task Force:** Kathy Clear, David Patterson, Judy Purcell, Ken Ronnfeldt, Tom Rainville, Kathy Skrei.
  - **Reciprocal Task Force:** John Adam, Denice Ballou, Gloria Combs, Raymond Overholt, Thomas Rainville, Pat Shouse
  - **Technology Task Force:** Dianne Barry, Bob Kittle, Rick Miller, Catherine Nelson, Jeff Rezap, Chris Walter.

18. First Readings:

- A. Approve changes to Board Policy 8-02A, Facility Use Regulations Other Amenities. **(TAB #7)**

19. Homeowner Comments

20. Adjourn Meeting

<b>COMMITTEE NAME</b>	<b>MEETING DATE</b>	<b>TIME</b>	<b>LOCATION</b>
ARCHITECTURAL COMPLIANCE	Tuesday, Sept. 10 & 24	8:30am	CLC Phoenix Room
AUDIT & FINANCE	Thursday, Aug. 1	2:00pm	CLC Meeting Rm #1
COMMUNICATIONS	Wednesday, Aug. 7	10:00am	CLC Meeting Rm #2
ELECTION	Wednesday, Sept. 4	3:00pm	CLC Meeting Rm #1
FACILITIES & GROUNDS	Tuesday, Sept. 3	10:00am	CLC Phoenix Room
FOOD & BEVERAGE	Thursday, Aug. 1	9:00am	CLC Phoenix Room
GOLF	Wednesday, Aug. 21	1:30pm	CLC Lecture Hall
RECREATION / ENTERTAINMENT	Tuesday, Aug. 13	10:00am	CLC Lecture Hall
SAFETY & SECURITY	Wednesday, Oct. 2	10:00am	CLC Meeting Rm #1

**SUN LAKES HOMEOWNERS ASSOCIATION #2**  
**INCOME AND EXPENSE SUMMARY**  
**June 30, 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 %%%
<b>REVENUES:</b>							
HOA DUES	\$ 474,743	\$ 2,828,458	\$ 2,828,458	\$ -	\$ 2,456,636	0.0%	15.1%
RECREATION	8,775	165,751	159,805	5,946	149,906	3.7%	10.6%
FOOD & BEVERAGE	259,254	2,604,725	2,780,139	(175,414)	2,664,361	-6.3%	-2.2%
GOLF	224,168	1,934,033	1,861,792	72,241	1,758,680	3.9%	10.0%
MISCELLANEOUS (CARRY FORWARD FUND, TRANSFER FEES, INTEREST, ETC)	14,131	107,524	108,000	(476)	371,042	-0.4%	-71.0%
<b>TOTAL REVENUES</b>	<b>\$ 981,071</b>	<b>\$ 7,640,491</b>	<b>\$ 7,738,194</b>	<b>\$ (97,703)</b>	<b>\$ 7,400,625</b>	<b>-1.26%</b>	<b>3.2%</b>
<b>EXPENSES:</b>							
ADMINISTRATION (1)	\$ 177,072	\$ 1,147,728	\$ 1,079,734	\$ (67,994)	\$ 1,060,675	-6.3%	-8.2%
RECREATION	16,745	151,345	166,147	14,802	173,500	8.9%	12.8%
PATROL	36,779	216,554	219,443	2,889	213,788	1.3%	-1.3%
LANDSCAPING	96,925	501,499	605,935	104,436	525,511	17.2%	4.6%
CUSTODIAL	60,062	360,390	373,764	13,374	362,278	3.6%	0.5%
FACILITIES	55,292	324,119	352,282	28,163	337,094	8.0%	3.8%
POOLS	28,111	213,297	204,088	(9,209)	203,413	-4.5%	-4.9%
FOOD & BEVERAGE	328,020	2,569,618	2,692,505	122,887	2,564,755	4.6%	-0.2%
GOLF PROSHOPS & MAINTENANCE	235,605	1,599,169	1,732,677	133,508	1,579,247	7.7%	-1.3%
<b>TOTAL EXPENSES</b>	<b>\$ 1,034,611</b>	<b>\$ 7,083,719</b>	<b>\$ 7,426,575</b>	<b>\$ 342,856</b>	<b>\$ 7,020,261</b>	<b>4.6%</b>	<b>-0.9%</b>
<b>NET INCOME</b>	<b>\$ (53,540)</b>	<b>\$ 556,772</b>	<b>\$ 311,619</b>	<b>\$ 245,153</b>	<b>\$ 380,364</b>	<b>78.7%</b>	<b>46.4%</b>
<b>PALO VERDE GATE (2)</b>							
Revenues	\$ 21,739	\$ 130,824	\$ 131,587	\$ (763)	\$ 124,848	-0.6%	4.8%
Expenses	20,054	127,857	132,104	4,247	125,064	3.2%	2.2%
<b>NET INCOME</b>	<b>\$ 1,685</b>	<b>\$ 2,967</b>	<b>\$ (517)</b>	<b>\$ 3,484</b>	<b>\$ (216)</b>	<b>-2.3%</b>	<b>1473.6%</b>
<b>DEPRECIATION EXPENSE</b>	<b>\$ 71,000</b>	<b>\$ 425,000</b>	<b>\$ 425,000</b>	<b>\$ -</b>	<b>\$ 425,000</b>	<b>0.0%</b>	
<b>CONSOLIDATED NET INCOME</b>	<b>\$ (122,855)</b>	<b>\$ 134,739</b>	<b>\$ (113,898)</b>	<b>\$ 248,637</b>	<b>\$ (44,852)</b>	<b>218.3%</b>	<b>400.4%</b>

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**  
**June 30, 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	407,452	100,000	
Cell Tower Income	247,962	-	
Interest Earned	78,563	11,827	
Expenditures for:			
Golf Courses & Equipment	(318,264)	-	
HOA-Several Items	(94,900)	(73,513)	
<b>Fund Balance June 30, 2024</b>	<b>\$ 6,282,889</b>	<b>\$ 710,484</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 June 2024 was 12. June 2024 YTD totaled 123 resulting in revenue of \$531,000 YTD 2024 (\$4,317 Ave)

Number of homes sold in June 2023 was 22. June 2023 YTD totaled 132 resulting in revenue of \$302,250 YTD (\$2,290 Ave)