

BOARD OF DIRECTORS MEETING
MARCH 27, 2024
3:00 P.M., SAN TAN BALLROOM
AGENDA

1. Call to Order
2. Pledge of Allegiance
3. Introduction of Managers
4. Approve the February 28, 2024 Board Meeting Minutes. **(TAB #1)**
5. President's Message - ***At the 4:00pm Annual Meeting***
6. Employee of the Month, March 2024
7. Treasurer's Report
 - A. Controller's Report (Brian Sage)
8. 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)
9. Project Report: **NONE**
10. Management Report (Steve Hardesty) - ***At the 4:00pm Annual Meeting***
11. Directors Comments - ***At the 4:00pm Annual Meeting***
12. Capital Reserve Replacement Fund Requests:
 - A. Management recommends replacing a 2020 Toyota Prius C with a 2024 Kia Niro LX. The Prius C has approximately 100,000 miles and is no longer under warranty. The 2024 Kia Niro would match the other 2 cars in the Patrol Fleet. (Asset # 1856 / YTBR: 2023) **(TAB #2)**

Research shows that the current Niro LX sticker price is approximately \$29,000. The trade price for the Toyota is approximately \$12,000. This would leave the purchase price in the \$17,000 range, plus any applicable taxes and fees.

Should the Board approve this purchase, staff will follow this procedure:

 - Receive three quotes on the same day from three local Kia Dealers in Tempe, Gilbert and Mesa.
 - Offer the Toyota as trade-in with the current mileage and condition that day.
 - Purchase the vehicle that day from the lowest and best offer.
 - B. Management recommends replacing the Salt Cell Chlorinators at all the aquatic facilities on the Association property. This includes 4 at Cottonwood Pool, and 1 each at the Michigan Pool, Kids Pool, and Cottonwood Lap Pool. It would leave one extra Chlorinator as a backup for a total of 8 Salt Cell Chlorinators. The Salt Cells are currently functioning at a level less than 25%. Routine maintenance has been done over the past 4 years, but the

Salt Cells have reached the end of their useful life. (Asset#1305, 1265, 1259, 1759/YTBR:2026) **(TAB #3)**

Specialty Pools	\$24,751
Peterson's Pool Service	\$27,683
Specialty Service	No Bid, Not Qualified

Management recommends the bid from Specialty Pools in the amount of \$24,751.

C. Management recommends replacing a Sandwich/Salad Prep Table Cooler unit at the Cottonwood Restaurant. The current unit no longer cools the food properly and is unsafe. (Asset#749/YTBR:2022) **(TAB #4)**

Restaurant Supply	\$3,225+\$300 Contingency=\$3,525
Warranty: 3yr parts/labor & 10yr compressor	
Supplies on the Fly	\$3,450
Webstaurant - <i>Disqualified</i>	\$1,959

Management recommends the bid from Restaurant Supply in the amount of \$3,225 plus an additional \$300 Contingency for a total amount of \$3,525. Management does not expect to need the Contingency as the unit should be a plug and play item.

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

14. Capital Improvement Fund Requests: **NONE**

15. Voluntary Contribution Fund: **NONE**

16. Old Business:

- A. Approve changes to Board Policy 4-02, Home Purchase Fees, effective April 1, 2024. **(TAB #5)**
- B. Recap of Octagon Cell Phone Tower Project. **(TAB #6)**

17. New Business:

- A. Approve the proposed 2024-2025 Board Meeting Schedule. **(TAB #7)**
- B. Accept/Adopt the proposed Facilities & Grounds 2024 Capital Projects List. **(TAB #8)**
- C. Approve the appointment of Richard Bruno and Valerie Maibaum to the Audit & Finance Committee for a 2-year term. **(TAB #9)**

18. First Readings: **NONE**

19. Homeowner Comments

20. Adjourn Meeting

COMMITTEE NAME	MEETING DATE	TIME	LOCATION
ARCHITECTURAL COMPLIANCE	Tuesday, April 9 & 23	8:30am	CLC Phoenix Room
AUDIT & FINANCE	Thursday, April 4	2:00pm	CLC Meeting Rm #1
COMMUNICATIONS	Monday, April 1	9:30am	CLC Meeting Rm #1
ELECTION	Wednesday, April 3	3:00pm	CLC Meeting Rm #1
FACILITIES & GROUNDS	Tuesday, April 2	10:00am	CLC Phoenix Room
FOOD & BEVERAGE	Thursday, April 4	9:00am	CLC Phoenix Room
GOLF	Wednesday, April 3	2:00pm	CLC Phoenix Room
RECREATION / ENTERTAINMENT	Tuesday, April 2	9:00am	CLC Lecture Hall
SAFETY & SECURITY	Wednesday, April 3	10:00am	CLC Meeting Rm #1

SUN LAKES HOMEOWNERS ASSOCIATION #2
INCOME AND EXPENSE SUMMARY
 February 29, 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	\$ 468,276	\$ 949,222	\$ 939,486	\$ 9,736	\$ 824,002	1.0%	15.2%
RECREATION	47,717	86,135	56,500	29,635	68,910	52.5%	25.0%
FOOD & BEVERAGE	492,167	966,097	1,031,376	(65,279)	980,558	-6.3%	-1.5%
GOLF	371,894	696,576	676,217	20,359	620,909	3.0%	12.2%
MISCELLANEOUS (CARRY FORWARD FUND, TRANSFER FEES, INTEREST, ETC)	9,984	30,402	36,001	(5,599)	115,259	-15.6%	-73.6%
				-			
TOTAL REVENUES	\$ 1,390,038	\$ 2,728,432	\$ 2,739,580	\$ (11,148)	\$ 2,609,638	-0.41%	4.6%
EXPENSES:							
ADMINISTRATION (1)	\$ 211,809	\$ 416,973	\$ 377,762	\$ (39,211)	\$ 372,179	-10.4%	-12.0%
RECREATION	33,208	61,020	63,382	2,362	58,754	3.7%	-3.9%
PATROL	36,340	72,335	73,148	813	70,366	1.1%	-2.8%
LANDSCAPING	79,433	145,170	182,253	37,083	165,598	20.3%	12.3%
CUSTODIAL	60,410	121,675	124,588	2,913	113,840	2.3%	-6.9%
FACILITIES	48,116	100,791	114,611	13,820	108,977	12.1%	7.5%
POOLS	38,174	85,696	77,779	(7,917)	77,015	-10.2%	-11.3%
FOOD & BEVERAGE	466,388	922,477	958,818	36,341	897,788	3.8%	-2.7%
GOLF PROSHOPS & MAINTENANCE	243,233	485,981	556,767	70,786	466,824	12.7%	-4.1%
TOTAL EXPENSES	\$ 1,217,111	\$ 2,412,118	\$ 2,529,108	\$ 116,990	\$ 2,331,341	4.6%	-3.5%
NET INCOME	\$ 172,927	\$ 316,314	\$ 210,472	\$ 105,842	\$ 278,297	50.3%	13.7%

PALO VERDE GATE (2)

Revenues	\$ 21,669	\$ 43,309	\$ 43,862	\$ (553)	\$ 41,798	-1.3%	3.6%
Expenses	21,676	44,615	44,211	(404)	42,490	-0.9%	5.0%
NET INCOME	\$ (7)	\$ (1,306)	\$ (349)	\$ (957)	\$ (692)	-2.3%	-88.7%

(1) Administration includes Fitness Center and Misc Homeowner Services.

(2) Palo Verde Gate expenses are paid only by the Palo Verde Residents.

Special Funds
 February 29, 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	315,914	-	-
Interest Earned	9,954	4	
Expenditures for:			
Golf Courses & Equipment	(46,238)	(5,216)	
HOA-Several Items	(5,705)	-	-
Fund Balance January 31, 2024	\$ 6,236,001	\$ 666,958	\$ 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 February 2024 was 12. February 2024 YTD totaled 21 resulting in revenue of \$73,500 YTD 2023 (\$3,500 Ave)

Number of homes sold in February 2023 was 19. February 2023 YTD totaled 29 resulting in revenue of \$50,750 YTD (\$1,750 Ave)