

BOARD OF DIRECTORS MEETING
MAY 29, 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 April 24, 2024 Board Meeting Minutes. **(TAB #1)**
5. Approve the April 30, 2024 Audit Meeting Minutes. **(TAB #2)**
6. President's Message
7. Employee of the Month, May 2024
8. Treasurer's Report
 - A. Controller's Report (Brian Sage)
9. Committee and Task Force Reports
 - A. Architectural Compliance Committee (Maryann Sinerius)
 - B. Audit & Finance Committee (Denise Orthen)
 - C. Communications Committee (Denise Haynie)
 - D. Election Committee (*No Meeting*)
 - E. Facilities & Grounds Committee (Dianne Barry)
 - F. Food & Beverage Committee (Lisa Bond)
 - G. Golf Committee (Pat Shouse)
 - H. Recreation / Entertainment Committee (John Adam)
 - I. Safety & Security Committee (Mike Rogers)
10. Project Report: **NONE**
11. Management Report (Steve Hardesty)
12. Directors Comments
13. Capital Reserve Replacement Fund Requests:
 - A. Management recommends replacing the HVAC unit that serves the Cottonwood Dance Room. The previous HVAC unit had a catastrophic failure and cannot be repaired. (Asset#1217/YTBR:2022) **(TAB #3)**

Monster Air	\$11,668 + 10% contingency = \$12,835
CASM	\$15,270
Dukes of Air	NO BID
Chandler Air	NO BID

Management recommends the bid from Monster Air for a price of \$11,668 plus a 10% Contingency for a total price of \$12,835.
 - B. Management recommends replacing 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#2159/YTBR:2025) **(TAB #4)**

Monster Air	\$9,010 + 10% contingency = \$9,911
CASM	\$9,925
Dukes of Air	NO BID
Chandler Air	NO BID

Management recommends the bid from Monster Air for a price of \$9,010 plus a 10% Contingency for a total price of \$9,911.

- C. Management recommends repurposing the second beverage cart into a utility work vehicle used by Facility Maintenance. Management offers two options: Option #1) Receive bids from local vendors for a new unit cost of approximately \$18,000-\$22,000, Option #2) Repurpose one of the unused beverage carts from CW Golf Course, remove the beverage equipment, and add a toolbox and additional seating. **(TAB #5)**

Management recommends Option #2.

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

15. Capital Improvement Fund Requests:

- A. Management recommends replacing a Deli Slicer unit at the Cottonwood Restaurant. The Deli Slicer at Cottonwood is currently not listed under the Reserve Accounts. **(TAB #6)**

Webstaurant	\$3,900 (Warranty: 1yr parts/labor, 5yr belt)
Supplies On The Fly	\$3,970
Restaurant Supply	\$4,338

Management recommends the bid from Webstaurant for a price of \$3,900.

- B. Management recommends the purchase of additional Audio-Visual Equipment for the CLC Lecture Hall which would allow homeowners, groups, and clubs increased access to the projector and sound system. In addition, this equipment will assist the IT Department in keeping the Association network safe. **(TAB #7)**

CCS Presentation Systems	\$3,202 + 10% Contingency = \$3,522
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Management recommends the sole source bid from CCS Presentation Systems for \$3,202 plus a 10% contingency for a total price of \$3,522.

16. Voluntary Contribution Fund: **NONE**

17. Old Business: **NONE**

18. New Business:

- A. Accept/Adopt the amended Facilities & Grounds 2024 Capital Projects List. **(TAB #8)**
- B. Approve changes to Board Policy 11-02, Campaign Signage and Flyers. **(TAB #9)**
- C. Approve the updated 5-Year Golf Strategic Plan which includes the 5-year water plan. **(TAB #10)**
- D. Approve the implementation of the CW Pool Project Task Force, the appointment of Marty Neilson as the Task Force's Chair. **(TAB #11)**
- E. Approve the implementation of the Technology Task Force and the appointment of Tami Ronnfeldt as the Task Force's Chair. **(TAB #12)**
- F. Approve the implementation of the Reciprocal Task Force and the appointment of Glenn Martinsen as the Task Force's Chair. **(TAB #13)**
- G. Approve maximum of \$25,000 for Architectural Services related to the Cottonwood Pool Project. **(TAB #15)**
- H. Approve maximum of \$15,000 for Legal Fees and Review of the Association Bylaws and work related to the CC&Rs. **(TAB #16)**

19. First Readings:

- A. Approve new Board Policy 10-17; Cottonwood Pool Project Task Force Charter. The Task Force will be for an initially projected duration not to exceed 24 months. **(TAB #14)**

B. Approve new Board Policy 10-18; Reciprocal Task Force Charter. The Task Force is projected to have a duration not to exceed 9 months. **(TAB #17)**

20. Homeowner Comments

21. Adjourn Meeting

COMMITTEE NAME	MEETING DATE	TIME	LOCATION
ARCHITECTURAL COMPLIANCE	Tuesday, Sept. 10 & 24	8:30am	CLC Phoenix Room
AUDIT & FINANCE	Thursday, Aug. 1	2:00pm	CLC Meeting Rm #1
COMMUNICATIONS	Monday, Sept. 9	9:30am	CLC Meeting Rm #1
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, June 19	1:30pm	CLC Lecture Hall
RECREATION / ENTERTAINMENT	Tuesday, June 4	9:00am	CLC Lecture Hall
SAFETY & SECURITY	Wednesday, Oct. 2	10:00am	CLC Meeting Rm #1

SUN LAKES HOMEOWNERS ASSOCIATION #2
INCOME AND EXPENSE SUMMARY
 April 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 %%%
REVENUES:							
HOA DUES	\$ 467,380	\$ 1,883,972	\$ 1,883,972	\$ -	\$ 1,640,187	0.0%	14.9%
RECREATION	27,083	146,971	139,739	7,232	138,180	5.2%	6.4%
FOOD & BEVERAGE	456,242	2,003,491	2,133,151	(129,660)	2,030,613	-6.1%	-1.3%
GOLF	337,835	1,426,253	1,356,537	69,716	1,294,363	5.1%	10.2%
MISCELLANEOUS (CARRY FORWARD FUND, TRANSFER FEES, INTEREST, ETC)	24,062	72,993	72,000	993	252,013	1.4%	-71.0%
TOTAL REVENUES	\$ 1,312,602	\$ 5,533,680	\$ 5,585,399	\$ (51,719)	\$ 5,355,356	-0.93%	3.3%
EXPENSES:							
ADMINISTRATION (1)	\$ 197,422	\$ 795,960	\$ 727,901	\$ (68,059)	\$ 716,866	-9.4%	-11.0%
RECREATION	25,713	116,587	130,465	13,878	132,020	10.6%	11.7%
PATROL	35,810	143,952	146,295	2,343	141,506	1.6%	-1.7%
LANDSCAPING	86,782	318,326	383,830	65,504	346,930	17.1%	8.2%
CUSTODIAL	57,394	240,607	249,176	8,569	241,352	3.4%	0.3%
FACILITIES	59,053	216,417	230,021	13,604	226,660	5.9%	4.5%
POOLS	33,971	156,248	146,059	(10,189)	149,470	-7.0%	-4.5%
FOOD & BEVERAGE	436,881	1,853,439	1,953,539	100,100	1,830,201	5.1%	-1.3%
GOLF PROSHOPS & MAINTENANCE	289,905	1,075,268	1,168,379	93,111	1,049,483	8.0%	-2.5%
TOTAL EXPENSES	\$ 1,222,931	\$ 4,916,804	\$ 5,135,665	\$ 218,861	\$ 4,834,488	4.3%	-1.7%
NET INCOME	\$ 89,671	\$ 616,876	\$ 449,734	\$ 167,142	\$ 520,868	37.2%	18.4%
PALO VERDE GATE (2)							
Revenues	\$ 21,870	\$ 87,158	\$ 87,725	\$ (567)	\$ 83,302	-0.6%	4.6%
Expenses	21,960	89,141	88,158	(983)	83,656	-1.1%	6.6%
NET INCOME	\$ (90)	\$ (1,983)	\$ (433)	\$ (1,550)	\$ (354)	-2.3%	-460.2%
DEPRECIATION EXPENSE	\$ 71,000	\$ 283,000	\$ 283,000	\$ -	\$ 283,000	0.0%	
CONSOLIDATED NET INCOME	\$ 18,581	\$ 331,893	\$ 166,301	\$ 165,592	\$ 237,514	99.6%	39.7%

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

Special Funds
 April 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	154,451	50,000	
Cell Tower Income	247,962	-	
Interest Earned	35,798	11,824	
Expenditures for:			
Golf Courses & Equipment	(170,765)	-	
HOA-Several Items	(35,570)	(33,358)	
Fund Balance March 31, 2024	\$ 6,193,952	\$ 700,636	\$ 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 April 2024 was 28. April 2024 YTD totaled 76 resulting in revenue of \$297,500 YTD 2024 (\$3,914 Ave)

Number of homes sold in April 2023 was 28. April 2023 YTD totaled 78 resulting in revenue of \$168,000 YTD (\$2,154 Ave)