

**BOARD OF DIRECTORS MEETING  
SEPTEMBER 25, 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 August 28, 2024 Board Meeting Minutes. **(TAB #1)**
5. President's Message
6. Employee of the Month, September 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 (*Denise Orthen*)
  - C. Communications Committee (*Denise Haynie*)
  - D. CW Pool Project Task Force (*Marty Neilson*)
  - E. Election Committee **(No Meeting)**
  - F. Facilities & Grounds Committee (*Dianne Barry*)
  - G. Food & Beverage Committee (*Jean Nelson*)
  - H. Golf Committee (*Pat Shouse*)
  - I. Reciprocal Task Force (*Glenn Martinsen*)
  - J. Recreation / Entertainment Committee (*John Adam*)
  - K. Technology Task Force (*Maryann Sinerius*)
  - 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 HVAC Unit that serves the Ceramic Room in the Cottonwood Complex. This unit has been repaired 3-4 times in the last 12 months and is no longer working. Staff has used several vendors for the repairs with no resolution. (Asset#1216/YTBR:2031) **(TAB #2)**

Monster Air	\$16,850 + 10% Contingency = \$18,535
Rainforest	\$16,523 + 10% Contingency = \$18,175
CASM	No Bid Submitted

Management recommends the bid from Monster Air of \$16,850 plus a 10% contingency of \$1,685 for a total budget authority of \$18,535. This recommendation is due to Monster Air's workmanship and previous experience with installation at the Cottonwood Complex. (Warranty:5yr compressor/1yr labor). BP 4-07 Emergency Purchase clause was used due to the failure and time of year.
  - B. Management requests a Not-To-Exceed (NTE) Budget Authority of \$30,000 for a series of improvements at the Palo Verde and Cottonwood Restaurants. These items will include new chafing dishes, china, glassware, and silverware. (PV Asset#2309/YTBR 2022, Asset#2314/YTBR 2022, Asset #2327/YTBR 2029, Asset#2344/YTBR 2022) (CW Asset

#716/YTBR 2022, Asset#721/YTBR 2025, Asset#734/YTBR2022, Asset#753/YTBR 2022)  
**(TAB #3)**

Currently purchased items include:

China \$3,478, Glassware \$639, Flatware \$987 and Steak Knives \$3,858.

These items were originally purchased from Operational Funds, but it was recently learned that these items are identified in the Reserve. Staff will bring a report to the Board near the end of the year detailing the entire project and funds spent in each Reserve Account.

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

14. Voluntary Contribution Fund: **NONE**

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

16. Old Business:

A. Approve the Food & Beverage Committee 5-Year Strategic Plan. **(TAB #4)**

B. Approve increasing the Rental Processing Fee to \$250 effective October 1, 2024. **(TAB #5)**

17. New Business:

A. Approve Golf Rates for the 2024-2025 year to be effective Nov. 1, 2024 through October 31, 2025. **(TAB #6)**

B. Approve the 2024-2025 Exceptions to the Golf Calendar. **(TAB #7)**

18. First Readings:

A. Approve Board Policy 10-03; Communication’s Committee Charter. **(TAB #8)**

B. Approve the Architectural Committee’s request for New Color Schemes. **(TAB #9)**

C. Approve the Recreation / Entertainment Committee’s 5-Year Plan. **(TAB #10)**

19. Homeowner Comments

20. Adjourn Meeting

<b>COMMITTEE NAME</b>	<b>MEETING DATE</b>	<b>TIME</b>	<b>LOCATION (CLC)</b>
<b>ARCHITECTURAL COMPLIANCE</b>	Tuesday, Oct. 8 & 22	8:30am	Phoenix Room
<b>AUDIT &amp; FINANCE</b>	Thursday, Oct. 3	2:00pm	Meeting Rm #1
<b>COMMUNICATIONS</b>	Wednesday, Oct. 7	9:30am	Meeting Rm #1
<b>CW POOL TASK FORCE</b>	Tuesday, Oct. 1	2:00pm	Lecture Hall
<b>ELECTION</b>	Wednesday, Oct. 2	3:00pm	Meeting Rm #1
<b>FACILITIES &amp; GROUNDS</b>	Tuesday, Oct. 1	10:00am	Phoenix Room
<b>FOOD &amp; BEVERAGE</b>	Thursday, Oct. 3	9:00am	Phoenix Room
<b>GOLF</b>	Wednesday, Oct. 2	2:00pm	Phoenix Room
<b>RECREATION / ENTERTAINMENT</b>	Tuesday, Oct. 8	10:00am	Lecture Hall
<b>RECIPROCAL TASK FORCE</b>	Monday, Oct. 14	9:00am	Meeting Room #2
<b>SAFETY &amp; SECURITY</b>	Wednesday, Oct. 2	10:00am	Meeting Rm #1
<b>TECHNOLOGY TASK FORCE</b>	Wednesday, Oct. 9	10:30am	Meeting Room #1

**SUN LAKES HOMEOWNERS ASSOCIATION #2**  
**INCOME AND EXPENSE SUMMARY**  
**August 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	\$ 470,856	\$ 3,781,880	\$ 3,767,944	\$ 13,936	\$ 3,279,246	0.4%	15.3%
RECREATION	6,204	182,903	185,365	(2,462)	164,707	-1.3%	11.0%
FOOD & BEVERAGE	228,902	3,077,561	3,360,818	(283,257)	3,182,976	-8.4%	-3.3%
GOLF	220,108	2,370,692	2,302,743	67,949	2,149,517	3.0%	10.3%
MISCELLANEOUS (CARRY FORWARD FUND, TRANSFER FEES, INTEREST, ETC)	12,357	137,607	144,000	(6,393)	490,090	-4.4%	-71.9%
<b>TOTAL REVENUES</b>	<b>\$ 938,427</b>	<b>\$ 9,550,643</b>	<b>\$ 9,760,870</b>	<b>\$ (210,227)</b>	<b>\$ 9,266,536</b>	<b>-2.15%</b>	<b>3.1%</b>
<b>EXPENSES:</b>							
ADMINISTRATION (1)	\$ 179,340	\$ 1,504,531	\$ 1,440,345	\$ (64,186)	\$ 1,419,800	-4.5%	-6.0%
RECREATION	18,631	187,370	202,131	14,761	204,759	7.3%	8.5%
PATROL	36,313	289,854	292,590	2,736	284,329	0.9%	-1.9%
LANDSCAPING	77,371	708,011	830,475	122,464	711,472	14.7%	0.5%
CUSTODIAL	55,657	472,115	498,351	26,236	474,665	5.3%	0.5%
FACILITIES	61,731	446,986	480,293	33,307	453,290	6.9%	1.4%
POOLS	27,262	269,737	258,768	(10,969)	259,438	-4.2%	-4.0%
FOOD & BEVERAGE	322,273	3,214,250	3,391,357	177,107	3,225,413	5.2%	0.3%
GOLF PROSHOPS & MAINTENANCE	236,181	2,152,688	2,278,940	126,252	2,081,739	5.5%	-3.4%
<b>TOTAL EXPENSES</b>	<b>\$ 1,014,759</b>	<b>\$ 9,245,542</b>	<b>\$ 9,673,250</b>	<b>\$ 427,708</b>	<b>\$ 9,114,905</b>	<b>4.4%</b>	<b>-1.4%</b>
<b>NET INCOME</b>	<b>\$ (76,332)</b>	<b>\$ 305,101</b>	<b>\$ 87,620</b>	<b>\$ 217,481</b>	<b>\$ 151,631</b>	<b>248.2%</b>	<b>101.2%</b>
<b>PALO VERDE GATE (2)</b>							
Revenues	\$ 21,944	\$ 174,494	\$ 175,449	\$ (955)	\$ 166,448	-0.5%	4.8%
Expenses	21,878	171,979	176,050	4,071	168,201	2.3%	2.2%
<b>NET INCOME</b>	<b>\$ 66</b>	<b>\$ 2,515</b>	<b>\$ (601)</b>	<b>\$ 3,116</b>	<b>\$ (1,753)</b>	<b>-2.3%</b>	<b>243.5%</b>
<b>DEPRECIATION EXPENSE</b>	<b>\$ 71,000</b>	<b>\$ 567,000</b>	<b>\$ 567,000</b>	<b>\$ -</b>	<b>\$ 567,000</b>	<b>0.0%</b>	
<b>CONSOLIDATED NET INCOME</b>	<b>\$ (147,266)</b>	<b>\$ (259,384)</b>	<b>\$ (479,981)</b>	<b>\$ 220,597</b>	<b>\$ (417,122)</b>	<b>46.0%</b>	<b>37.8%</b>

Note: \$ 157,738

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

**Special Funds**  
**August 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	554,208	100,000			
Cell Tower Income	247,962	-		Home Sales	Home Sales
Interest Earned	95,153	11,831		158	100
Expenditures for:					
Golf Courses & Equipment	(391,843)	-		\$ 3,500	\$ 1,500
HOA-Several Items	(147,915)	(101,768)		<b>553,000</b>	<b>150,000</b>
				<b>YTD</b>	<b>APRIL 1ST</b>
<b>Fund Balance August 31, 2024</b>	<b>\$ 6,319,641</b>	<b>\$ 682,233</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 August 2024 was 17. August 2024 YTD totaled 158 resulting in revenue of \$703,000 YTD 2024 (\$4,449 Ave)

Number of homes sold in August 2023 was 9. August 2023 YTD totaled 157 resulting in revenue of \$364,750 YTD (\$2,323 Ave)