

## SCM Finance Committee Minutes

January 13, 2021

Via Teleconference

### ATTENDEES

#### Present

Duane Gillman	Chairman
Jim Karras	Treasurer
Greg Harmon	Member
Dennis Regan	Member
Larry Sanders	Member
Robert Leroux	Member
Lauren Van Tussenbroek	Pulte Rep

#### Guests

Phil Crapo	SCM General Manager
John Davis	Facility Director
Donna Eads	Board of Directors
Karen Sennes	Merrill Lynch
Erik Johnson	Hester & Heitel
Greg Hernandez	Accountant - Seabreeze
Clint Warrell	Vice President, Large-Scale Communities – Seabreeze

The meeting was called to order by Duane Gillman January 13, 2021 at 9:03 a.m. Pacific time. The following actions were taken:

1. The minutes of the December 9, 2020 SCM Finance Committee were reviewed. Duane Gillman made a motion to approve the minutes. Greg Harmon seconded. Vote was unanimous.
2. **Reserve Investments – Karen Sennes (Merrill Lynch)**

The following investments were recommended.

#### Sun City Reserve Account:

Four \$100,000 CD's, one \$200,000 CD, and \$150,000 CD – each for a term between 3-12 months. Duane Gillman made a motion to approve these recommendations giving Merrill Lynch permission to use their discretion as to the length of each CD's term. Greg Harmon seconded. Vote was unanimous.

#### Sun City Excess Operating Account.

Two \$45,000 CD's, each for a term between 3-12 month. Duane Gillman made a motion to accept the recommendation. Greg Harmon seconded. Vote was unanimous.

#### Branding Iron

Two \$50,000 CD's, each for a term between 3-12 months. Robert Leroux made the motion to accept these recommendations. Greg Harmon seconded. Vote was unanimous.

#### Anthem Mesquite Master

Two \$50,000 CD's, each for a term between 3-12 months. Duane Gillman made a motion to accept the recommendation, giving Merrill Lynch the discretion to purchase sufficient CDs to reduce the liquid cash amount to \$75,000 and reinvest the two (2) expiring \$25,000 CDs to one (1) \$50,000 CD for a term between 3-12 months. Greg Harmon seconded. Vote was unanimous

Donna Eads noted that the HOA is expecting a \$400,000 expense in April and if unexpected major projects are factored in when looking at balances of the various funds. The committee was advised that enough money is left in the accounts to fund initial deposits to get projects started and then a determination is made as to which CDs will fund the rest.

AMM Resolution 16-01 Establishing the Finance Committee – Third Amendment

Duane Gillman made a motion that Resolution 16-01 be amended to add the addendum "Trigger for Investment of Reserve Money Market Funds" which clarifies flexibility in purchasing CD's for the investment of reserves in the various accounts. Greg Harmon seconded. Vote was unanimous.

3. Insurance – Erick Johnson (Hester & Heitel)

Insurance premiums. It was noted that SCM and AMM pay their premiums on an annual basis instead of in installments. Sun City's payment is due January 1<sup>st</sup> of each calendar year (the inception date of the policy). Erik advised that some insurance companies allow payments in installments to be made without interest and will check into that as a possible future option.

4. Trends

The committee noted that there was nothing to add to Jim Hier's trends report.

5. Election of Chairman and Vice-Chairman

Duane Gillman was elected as Chairman of the Finance Committee. Vote was unanimous. Duane Gillman nominated Greg Harmon as Vice Chairman. Vote was unanimous.

6. Capital Expenditures – Phil Crapo

A. Spa Resurfacing and Title (2)

Duane Gillman made a motion to continue the vote to resurface the spa until it could be determined if Clearview would extend the length of the warranty. John Davis is to contact BND to research an alternate bid. Greg Harmon seconded the motion. The vote was unanimous with the exception of Dennis Regan who voted nay.

B. Server for Computer System

Duane Gillman made a motion to approve \$8,138.84 to upgrade and replace the old computer server with a new Dell server. Robert Leroux seconded. Vote was unanimous. Note: This amount is for equipment only. The estimated cost to transfer data will range between \$200-\$400. Donna Eads is authorized to sign for the computer server.

Next Meeting

The next Finance Committee meeting is scheduled for Wednesday, February 10, 2021 at 9:00 a.m. (Pacific time)

Adjournment

Duane Gillman made a motion to adjourn the meeting at 10.08 a.m. Vote was unanimous.

Respectfully submitted,

Barbara Rechcygiel