

**SCM Finance Committee Minutes
December 14, 2021**

Attendees

Present

Duane Gillman	Chairman
Greg Harmon	Vice Chairman
*Lauren Van Tussenbroek	Treasurer
Dennis Regan	Member
Larry Sanders	Member
Rick Burcham	Member

Guests

Phil Crapo	SCM General Manager
**John Davis	Facility Director
Larry Colson	Board of Directors
*Karen Sennes	Merrill
*Lionel McCray	Assured Partners
*Greg Hernandez	Accounting Assistant-Seabreeze
**Clint Warrell	Vice President, Large-Scale Communities-Seabreeze
Robin Arnott	Homeowner
*Mrecia Elfervig	Homeowner
*Jan Sisneros	Homeowner
*Jacklin Southwick	Homeowner

* Via Phone ** Absent

The meeting was called to order by **Duane Gillman December 14, 2021, at 9:00 a.m.** Pacific time. The following actions were taken:

1. The minutes of the November 9, 2021, SCM Finance Committee were reviewed. **Duane Gillman** made a motion to approve the minutes. **Dennis Regan** seconded. Vote was unanimous.
2. **Reserve Investments – Karen Sennes (Merrill)**
Karen Sennes briefly discussed the latest information with no action required at this time.
3. **Expense Request – Robin Arnott Homeowner**
 - a. Request for financial information regarding amenities
Duane Gilman led a discussion regarding Robin Arnott's request of a spread sheet included in budget provided to homeowners that includes theoretical 30 year funding plans to outline total year expenses by amenity pairing assets covering the past 5 to 10 years. Phil Bateman, CPA concluded reconstructing into amenities category would cost \$75,000 to \$100,000. Duane Gilman concurred with this assessment and made a motion that the finance committee deny Robin Arnott's request of going back asset by asset or amenity by amenity allocation of expenses for the last 10 years. Larry Saunders seconded. Vote was unanimous.
 - b. Request for final cost for renovation of Pioneer Center
A cost summary of Pioneer Center renovation cost was provided and briefly discussed.
4. **Insurance – Lionel McCray – Assured Partners**
Lionel McCray presented latest information regarding future premium payment options. Duane Gilman made a motion that the finance committee make a recommendation to the board to spend the money to purchase the policies with Philadelphia effective January 1, as proposed by Lionel McCray with Assured Partners. Greg Harmon seconded. Vote was unanimous. Duane Gilman made a motion to recommend that the board refer any opportunity to submit a claim less than

\$100,000 to the finance committee for review to analyze the impact on premium. Greg Harmon seconded. Vote was unanimous.

5. **Trends-Report Summary-Prepared Larry Saunders**

Larry Saunders presented a summary of trends. Duane Gilman made a motion to form a sub-committee of the finance committee of qualified CPA's headed by Greg Harmon with Greg Hernandez on the sub-committee to interview and be an in between for the audit report to ensure that there is not anything that goes public before it goes to committee. Rich Burcham seconded. Vote was unanimous.

6. **Discussion of Allocation of Funds in SCM, AMM, and BI**

Greg Harmon led a brief discussion with latest information with no action required at this time.

7. **Capital Expenditures – Phil Crapo**

a. *Funding of Pickleball and Tennis Court Improvements*

Phil Crapo led a discussion regarding latest information on court improvements with no action required at this time.

b. *SCM Outdoor Pool Area Landscaping Improvements*

Phil Crapo led a brief discussion with latest information regarding landscape improvements for outdoor pool area. Duane Gilman made a motion to recommend that the board approve the expenditure for Kokopelli to replace outdoor pool areas plants under the request dated November 11, 2021, for \$21,240. Larry Saunders seconded. Vote was unanimous.

c. *SCM Decorative Rock on Oxbow West/East at Crescent Moon*

Phil Crapo led the discussion regarding decorative rock at Crescent Moon. Duane Gilman made a motion to recommend to the board to approve expenditure of \$26,700 for Kokopelli to refresh rock on Oxbow at Crescent Moon pursuant to request submitted on November 11. Larry Saunders seconded. Vote was unanimous.

d. *SCM Wishing Well Drip Line*

Phil Crapo led a discussion with latest information for replacement of drip line in Wishing Well. Duane Gilman made a motion to recommend that the board approve expenditure of \$9,156 subject to John Davis working with Kokopelli and getting the best quality drip line on the market within this bid amount. Greg Harmon seconded. Vote was unanimous.

e. *SCM Drip Lines at Reunion Valley, Serenity Ridge and Tannery Cove*

Phil Crapo led a discussion with latest information for replacement of drip line. Duane Gilman made a motion to recommend that the board approve expenditure of \$37,900 subject to John Davis working with Kokopelli and getting the best quality drip line on the market within this bid amount. Greg Harmon seconded. Vote was unanimous.

f. *SCM Joint and Crack Seal Repair*

Phil Crapo discussed joint and crack seal repair for SCM. Duane Gilman made a motion to recommend that the board approve expenditure of \$40,171 for joint and crack seal repair for SCM under contract with Holbrook Asphalt. Greg Harmon seconded. Vote was unanimous.

- g. SCM Sue's Furniture
Phil Crapo briefly discussed indoor/outdoor furniture expenditure. Duane Gilman made a motion to recommend that the board approve \$113,667 of furniture and pool amenities to Sue's furniture. Dennis Regan seconded. Vote was unanimous.
- h. AMM Replace Landscape Lighting Zone 1,2, & 3 Lighting
Phil Crapo discussed briefly lighting replacement. Duane Gilman made a motion to recommend that board of directors approve Heritage Electric expenditure replacement of landscaping lighting lights in zones 1,2 and 3 in the amount of \$5,240. Rick Burcham seconded. Vote was unanimous.
- i. AMM Master Drip Line Replacement at Waterfall
Phil Crapo led a discussion with latest information for replacement of drip line. Duane Gilman made a motion to recommend that the board approve expenditure of \$27,350 subject to John Davis working with Kokopelli and getting the best quality drip line on the market within this bid amount. Greg Harmon seconded. Vote was unanimous.
- j. BI Joint and Crack Seal Repair
Phil Crapo discussed joint and crack seal repair for BI. Duane Gilman made a motion to recommend that the board approve expenditure of \$1,466 for joint and crack seal repair for SCM under contract with Holbrook Asphalt. Greg Harmon seconded. Vote was unanimous.
8. **Recommend to the BOD appointment of Donna Eads to Finance Committee**
Duane Gilman led a discussion about increasing the number of finance committee members from 5 to 7 members. Duane Gilman made a motion to recommend to the board to expand finance committee members from 5 to 7. That the board go through the application process including notice to all homeowners that the expansion has occurred after they have decided to expand it and that the interview process proceed as it has historically. That the committee is encouraging Donna Eads to be one of the applicants for that position. That we encourage her to apply and notify a previous applicant also and have that applicant involved in the process. Greg Harmon seconded. Duane Gilman and Greg Harmon voted yes. Dennis Regan and Rick Burcham voted no. Larry Saunders abstained his vote. The motion did not pass.

Next Meeting

The next Finance Committee meeting is scheduled for **Tuesday, January 11, 2022, at 9:00 a.m. (Pacific time).**

9. **Adjournment**

Duane Gillman made a motion to adjourn the meeting at **11:27 a.m.** Rick Burcham seconded. Vote was unanimous.

Respectfully submitted,

Donna Sherwood