

**SCM Finance Committee Minutes
Tuesday, February 9, 2021**

Via Teleconference

Attendees

Present

Duane Gillman
Greg Harmon
Lauren Van Tussenbroek
Dennis Regan
Larry Sanders (absent)
Robert Leroux (absent)

Guests

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

The meeting was called to order by Duane Gillman February 9, 2021 at 9:08 a.m. Pacific time. The following actions were taken:

1. The minutes of the January 13, 2021 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)**

No action is needed this month for investments. Merrill Lynch has incorporated the upcoming \$500,000 improvement expenditure into the reserves. Discussion centered on the timing of the payment to Pulte (whether partial or total) for the improvement project. Construction will take place between June 1 and September 30, 2021

3. **Insurance - Erik Johnson (Hester & Heitel)**

Premiums continue to increase, especially on property insurance and will very likely impact renewal premiums for January 1, 2022. Duane Gillman suggested using 15% increase across the board to cover the cost of the premiums. The outdoor improvements (estimated at \$3 million) should not affect the premiums that much as there are no structures involved. Erik requested to be kept advised of the most recent reserve studies. The Reserve Study members are Dennis Regan, Greg Harmon, and Bob Leroux.

4. **Trends**

The committee noted that there was nothing to add to Jim Hier's trends report. Phil Crapo stated that the year-end financial report will have excess funds for Sun City Mesquite, Anthem, and Branding Iron and that we will need to look at potentially moving these funds to reserve accounts.

5. **Capital Expenditures – Phil Crapo**

- A. **Spa Resurfacing and Title (2)**

Duane Gillman made a motion to approve the outdoor spa resurfacing in the amount of \$10,800 by Clearview Inc. Greg Harmon seconded the motion. The vote was unanimous.

- B. **Sale of Miscellaneous Items left over from Floral Decorations.**

Duane Gillman made a motion to approve the bidding process for the sale of miscellaneous items, including floral decorations, left over from the renovation. Greg Harmon seconded. Vote was unanimous.

6. **Other**

- A. The Finance Committee agreed to change the day of their meetings from Wednesday to Tuesday.
- B. Donna Eads made a motion to submit the spa resurfacing and sale of miscellaneous items to the Board for an action without meeting. Lauren Van Tussenbroek seconded. Vote was unanimous.
- C. Phil Crapo noted that the Finance Committee will be receiving the layout for resurfacing roads within Sun City for about 8 different villages – estimated at about \$137,000. This will be submitted for review before the Board meeting in April.
- D. FYI to the Committee: Operations has a diver coming in to clean the grates and screens on the water features. The waterfall area is estimated at \$3,500 and the golf course area is estimated at \$2,500. These costs will be covered under Operations. Reserve expenditures will be updated for the March meeting at the request of Greg Harmon.

Next Meeting

The next Finance Committee meeting is scheduled for Tuesday, March 9, 2021 at 9:00 a.m. **(Pacific time)**

Adjournment

Duane Gillman made a motion to adjourn the meeting at 9:39 a.m. Greg Harmon seconded. Vote was unanimous.

Respectfully submitted,

Barbara Rechcygiel