

SCM Finance Committee Minutes
April 13, 2021

Via Teleconference

Attendees

Present

Duane Gillman	Chairman
Greg Harmon	Vice Chairman
Lauren Van Tussenbroek	Treasurer
Dennis Regan	Member
Larry Sanders	Member
Robert Leroux	Member

Guests

Phil Crapo	SCM General Manager
John Davis	Facility Director
Donna Eads	Board of Directors
Karen Sennes	Merrill
Lionel McCray	Assured Partners
Clint Warrell	Vice President, Large-Scale Communities – Seabreeze

The meeting was called to order by Duane Gillman April 13, 2021 at 9:00 a.m. Pacific time. The following actions were taken:

1. The minutes of the March 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)**

Merrill recommended the following investments for the Sun City Mesquite Reserve Account for the coming year. Two 12-month CDs in the amount of \$200,000, one 6-month CD in the amount of \$200,000 and one 24-month CD in the amount of \$200,000. The Account will keep \$500,00 in reserve for the renovation of 2 courts.

For the Sun City Excess Operating Account, the following investment recommendations were made. Two 3 to 12-month CDs in the amount of \$45,000 each. There were no recommendations for Branding Iron at this time. Anthem Mesquite recommendation was a 12-month CD in the amount of \$50,000. Duane Gillman made a motion to adopt Merrill's April 8, 2021 recommendations for Sun City, Branding Iron and Anthem. Dennis Regan seconded. Vote was unanimous.

3. **Insurance – Lionel McCray, Assured Partners**

There may be a tipping point in the market in the next 12-18 months. This means more price competition from insurance carriers on HOAs and related amenities like golf courses. Both property and umbrella liability have increased. The property market is the toughest due to weather related claims. Assured Partners expects a reasonable renewal price as of January 1, 2022.

Phil Crapo requested that a quote be provided to the Committee in late November, early December 2021 so it can be presented to the Board for a meeting without action and passed prior to January 1, 2022. The current forecast is a 16% increase to the current budget.

A question was raised about paying insurance premiums in quarterly installments as opposed to annually. This can be done, but would add an increase of about \$157.00 each quarter. The committee will take this issue under advisement.

4. **Trends – Jim Hier**

Duane Gillman expressed his appreciation to Jim Hier for presenting the monthly trends report. The committee noted that there was nothing to add to the report. Greg Harmon raised concerns regarding a \$1,000 delinquency. This will be referred to the Board of Directors during their executive session.

5. **Capital Expenditures – Phil Crapo**

A. **3 Removable Bollards in Bridge Landing (Capital Expense)**

Duane Gillman made a motion to recommend approval by the Board to place 3 removable bollards in Bridge Landing in the amount of \$2,250.00. Bob Leroux seconded. Vote was unanimous.

B. **Claval Float Valve @ Hole #11 – Clearview Pools**

Duane Gillman made a motion to recommend to the Board that they approve a Water Feature Fill Valve for Hole #11 in the amount of \$5,100.00. Dennis Regan seconded. Vote was unanimous.

6. **Other**

Discussion centered on whether to have the May Finance Committee Meeting via teleconference or in-person. The decision was made to keep the May meeting as a teleconference and wait to see what the Governor's directives will be before making a decision about June.

Next Meeting

The next Finance Committee meeting is scheduled for May 11, 2021 **at 9:00 a.m. (Pacific time)**

7. **Adjournment**

Duane Gillman made a motion to adjourn the meeting at 9:48 a.m. Bob Leroux seconded. Vote was unanimous.

Respectfully submitted,

Barbara Rechcygiel