

**SCM Finance Committee Minutes
May 11, 2021**

Via Teleconference

Attendees

Present

Duane Gillman

Chairman

Guests

Phil Crapo

SCM General Manager

Greg Harmon

Vice Chairman

John Davis

Facility Director

Lauren Van Tussenbroek

Treasurer

Donna Eads

Board of Directors

Dennis Regan

Member

Karen Sennes

Merrill

Larry Sanders

Member

Lionel McCray

Assured Partners

Absent

Bob Leroux

Clint Warrell

Vice President, Large-Scale
Communities – Seabreeze

The meeting was called to order by Duane Gillman May 11, 2021 at 9:00 a.m. Pacific time. The following actions were taken:

1. The minutes of the April 13, 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)**

It was noted that Merrill's recommendations from April 8, 2021 have been adopted by the Board. The Sun City Reserve Account currently has \$1.3 million in cash due to projects being in a state of flux. The current investment plan of investing the excess of \$200,000 in a 12-month CD will remain in place, leaving \$1.1 million in cash. No further decisions regarding investments need to be made at this time.

Greg Harmon has been working with Phil Crapo on information for the reserve study. He noted that there was an amount of \$837,000 that could be used as a guide on what will be needed and what will be excess.

3. **Insurance – Lionel McCray – Assured Partners (Hester & Heitel)**

Lionel advised that currently everything is status quo. The renewal process has been started so it can be completed in plenty of time. Phil Crapo will be scheduling an in-person review with Lionel in the next couple weeks.

4. **Trends – Jim Hier**

Jim Hier has resigned from the Board as of May 1, 2021 and Bob Leroux has resigned due to a move out of state. The committee will be looking at a replacement from Branding Iron first. If there is no applicant, the position will be open to everyone.

There is currently no one available to do the monthly summary report. The report has not been posted for 4 months on the website due to posting issues. Phil noted that the website needs a complete overhaul to help eliminate these issues.

5. Capital Expenditures – Phil Crapo

1. Rock Replacement on Flat top Mesa

Duane Gillman made a motion to approve rock replacement on Flat Top Mesa in the amount of \$16,500.00. Greg Harmon seconded. Vote was unanimous.

2. Discussion of Reserve Study Report and Distribution of Funds

Landscape refreshment was a line item that was introduced into the reserve study. The concept was to put all pipe, irrigation, rock, and refreshment as one line item. The report needs to be reviewed for other aspects as well. The study currently shows that AMM has some immediate problems connected to it. Greg Harmon recommended that the column "Contribution," which is based on inflation, be adjusted to 3%.

Donna Eads advised that the Landscape Reserve line items could not have been accomplished without the help of Landscape Committee members, Mark Cupit and Tom Lockhart. Their assistance was invaluable, and Donna felt they should be recognized for their efforts.

Duane Gillman made a motion that the Finance Committee send a letter of appreciation to Greg Harmon, Mark Cupit and Tom Lockhart for the work they have done on the Reserve study regarding the landscaping issues. Dennis Regan seconded. Vote was unanimous.

Duane Gillman made a motion to defer voting on the reserve study until it was totally completed. Greg Harmon seconded. Vote was unanimous.

3. Annual Audit Draft for year 2020

The initial draft of the audit has been received. Duane Gillman made a motion to continue discussion of the AMM and SCM audit until the June 8, 2021 Finance Committee meeting. Greg Harmon seconded. Vote was unanimous.

6. Other

Duane Gillman noted that Dave Z has requested that a large flag be put on a high mountain within Sun City. That request is currently in the process of being researched.

Next Meeting

The next Finance Committee meeting is scheduled for Wednesday, June 8, 2021 at 9:00 a.m. (Pacific time)

7. Adjournment

Duane Gillman made a motion to adjourn the meeting at 9:43 a.m. Greg Harmon seconded. Vote was unanimous.

Respectfully submitted,

Barbara Rechcygiel