

**SCM Finance Committee Minutes
July 13, 2021**

Via Teleconference

Attendees

Present

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

Guests

Phil Crapo	SCM General Manager
John Davis	Facility Director
Donna Eads	Board of Directors
John Schippert	President
Karen Sennes	Merrill
Phil Bateman	Hillburn and Lein
Clint Warrell	Vice President, Large-Scale Communities – Seabreeze

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

1. The minutes of the June 8, 2021 SCM Finance Committee were reviewed. Duane Gillman made a motion to approve the minutes with an amendment showing that Larry Saunders was present. Greg Harmon seconded. Vote was unanimous.
2. **Reserve Investments – Karen Sennes (Merril)**
The latest report, dated June 24, 2021, addresses the next quarter for CD's but leaves the cash as is. Duane Gillman made a motion to recommend that the Board adopt the recommendations in this report regarding the Sun City, Branding Iron, and Anthem reserves. Greg Harmon seconded. Vote was unanimous.
3. **Insurance – Lionel McCray – Hester & Heitel**
No report. Lionel is on vacation
4. **Audits of Sun City Mesquite and Anthem Mesquite Master – Phil Bateman**
Phil Bateman made a revision to the Sun City Mesquite audit due to detailed receipts for personal property items, which allowed some of these items to be depreciated. A revised draft, dated June 15, 2021, shows personal property items were capitalized at approximately \$158,000, which has been added to the assets of the Sun City Mesquite homeowners.

A discussion centered on the clarification of capital expenditures and how the funds are transferred between accounts. The results were that any item that is easily movable or has a resale value becomes capital property; and no matter what fund purchased the item, it is always put into the operating fund for depreciation. It was noted that once funds are transferred from the operating fund to the reserve fund, that money cannot be put back into the operating fund.

Since there were no comments on the Branding Iron and Anthem Mesquite audits, Duane Gillman made a motion that the Sun City Mesquite, Branding Iron and Anthem Mesquite audits be approved by the Finance Committee for submission to the Board. Dennis Regan seconded. Greg Harmon abstained.

5. **Proposed Upgrade and Improvements - Reserve Fund**

- Basketball court to be removed.
- Demolition of current courts
- The current pickleball and tennis courts to remain in their same location per CCR's.
- The court surface will be concrete, instead of asphalt for a longer life expectancy.
- 2 gates for the tennis courts for easier access
- Renovation is anticipated to begin August 1, 2021 and end by October 31, 2021. Delay was caused trying to get multiple bids. 8 proposals were sent. Only one contractor replied.
- Any enhancements need to be presented before the project begins. (i.e., 3 shade structures, permits, awnings, windscreens. Clubs have requested full windscreens. Note: These items may possibly be expensed under capital expenditures.)
- Improve the lighting to a downward trajectory system.
- There are 441 poles that need to be carefully removed and put back on the new surface.
- Pulte has not contemplated any contribution to the current pickleball project due to the upcoming costs of adding 16 new courts
- President Schippert stated that, with homeowner and city approval, 16 new pickleball courts will be located at Falcon Ridge and Conestoga Drive. Preliminary meetings with homeowners will be held and rezoning will be required. Budgets are being set up for the site as well as restrooms, shade, and basketball court. The initial cost of the plan has doubled.
- The Finance Committee will meet to review the overall costs of the project, the accounts that will fund them, and the time frame to be paid.
- President Schippert noted that "whatever is done now will be set in stone for the rest of its existence" so it is imperative to get this right.

Duane Gillman made a motion to approve the Kelleher Davis Contract in the amount of \$71,000+, subject to timeline and cost increases. Larry Saunders seconded. Since there was a discrepancy in the amount, Duane Gillman amended his motion to approve the Kelleher Davis contract in the amount of \$860,230.00. Dennis Regan seconded. Vote was unanimous.

6. **Reserve Analysis Report - Sun City Mesquite and Anthem Mesquite Master**

Duane Gillman made a motion that the Finance Committee approve and accept the Reserve Analysis for Sun City Mesquite and Branding Iron. Greg Harmon seconded. Vote was unanimous.

Greg Harmon made a motion to continue discussion of Anthem Mesquite's issues until Lauren Van Tussenbroek could provide some additional information by August 9, 2021. Duane Gillman seconded. Vote was unanimous.

Duane Gillman then made a motion to approve the Anthem Mesquite Reserve study based on the information that Lauren Van Tussenbroek provides to the Committee. Dennis Regan seconded. Vote was unanimous with the exception of Greg Harmon who opposed it.

7. **Trends**

Larry Saunders volunteered to do the trends report.

8. **Capital Expenditures – Phil Crapo**

A. **AMM – Water Feature Fountain – Hole 11**

Duane Gillman made a motion to approve the AMM water fountain feature at Hole #11 in the amount of \$3,390.00 using capital funds. Dennis Regan seconded. Vote was unanimous.

B. Block Wall Painting Bid

Duane Gillman made a motion to approve the Block Wall Painting Bid to Unforgettable in the amount of \$11,840. Greg Harmon seconded. Vote was unanimous.

C. Library Storage Unit

Duane Gillman made a motion to approve a Library Storage Unit in the amount of \$2,884. Greg Harmon seconded. Vote was unanimous.

Next Meeting

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

9. **Adjournment**

Meeting adjourned at 11:03 a.m.

Respectfully submitted,

Barbara Rechcygiel