

Welcome to Our 2020 Annual Homeowners Meeting

Presentation will be available on the front page & left column of
suncitymesquite.org

“Old Glory” Atop Flat Top Mesa



There are 262 names of our Veterans on the wall plaques in our Veterans Memorial Hall (VMH)



Flying my two flags beside the flag on permanent display at the top of Flat Top Mesa as part of the 2020 Exchange Club's virtual 1000 Flags over Mesquite. Photo by Barb Ellestad & ATV/2 Flags by Barb Ellestad

<https://mesquitecitizenjournal.com/two-flags-over-mesquite/>

Remembering our Departed Friends & Loved Ones

- **David E. Campbell** - passed on May 24, 2020. Vietnam Front Line Medic. Once meant, never forgotten – Deb Campbell
- **John Miskimins** - passed on May 28, 2016. 101st Airborne, Vietnam. Loved and missed by many !
- **Tammy Chenchick** – one of the original 300 homeowners in Sun City Mesquite, a colorful individual who brought fun and enjoyment to those she met, passed on June 13, 2016.
- **Steve Arndt** - passed on January 24, 2020. Remembered by his Wife
His message to his family and friends “Life is like a piano, the white keys represent happiness and the black show sadness. But, as you go through life’s journey, remember that the black also creates music”.
- **Joe Phillips** - passed on May 3, 2020. A Veteran, Historian, Poet and an avid Alaskan Hunter/Adventurer. Remembered by his friend, Bill Burt
- **Michael Scott** – passed on December 17, 2019.
Mike loved living in Sun City. He so enjoyed watching our house be built, sitting in our backyard with neighbors & friends for happy hour and the Gourmet Club get togethers. He often said this was his favorite place in the world and he didn’t know how he got so lucky.
- **Ann Hunt, Jack Bekowsky, Barbara Hollingshead, Dixon Hollingshead, Sandy Edwards and Linda & Pete Stephenson** - all good friends & neighbors remembered by Janice Mace
- **Phyllis Miller, Ron Saxion, Tom Berenson, Rolf Raak, Beth Johnson, John Rameriz, Bill Kenney, Alberta Avery & Jim Gilmore** - all good friends & neighbors remembered by Ed Koch

Sun City Community Scorecard - 2021 Budget + Key Data

Sun City Mesquite
 (SCM - \$2,875K Rev- \$110/mo-dues)

2021 HOA Budget
\$4,025K Rev
 Up \$281K from 2020 – 7.5%

Branding Iron
 (BI - \$67K Rev)

Anthem Mesquite Master Assoc
 (AMM – \$1,083K Rev - \$44/mo-dues)

	Now	+ 3 yrs
4,500 homes	Est 2020	Est 2023
# Homes	1,848	2,280
% Buildout	41%	51%
# Residents	3,400	4,195
TDS Contract Finito --> May 11, 2022		
	Bud 2021	Est 2036
# Homes	1,992	4,091
% Buildout	44%	91%
# Residents	3,665	7,527

HOA Cost Structure -SCM/AMM/BI				
P&L - % of Rev	Act 2018	Act 2019	Bud 2020	Bud 2021
Admin	33%	27%	31%	30%
Utilities	25%	22%	22%	26%
Maint	22%	19%	21%	22%
Reserves	20%	32%	26%	22%
Total	100%	100%	100%	100%
% in Resv - SCM	65%	71%	87%	78%
% in Resv - AMM	85%	95%	95%	110%
% in Resv - BI	90%	95%	95%	90%

Resale \$/Sq Ft	Avg Annual %
(% of resales '16-'20)	incr '16-'20
< 1,600 sf - (45%)	7.7%
1,600 - 2K sf - (31%)	8.2%
2,000 sf + - (24%)	5.6%

9 avg Resales/mo ~ 108/yr
 vs ~ 12 avg New/mo or ~ 144/yr

From 2008 – 2021 (13 yrs), SCM/AMM Dues incr at an Avg Annual Rate = 1.9% (\$120/mo to \$154/mo)
 From 2015 – 2021 (6 yrs), SCM/AMM Dues incr at an Avg Annual Rate = .9% (\$146/mo to \$154/mo)

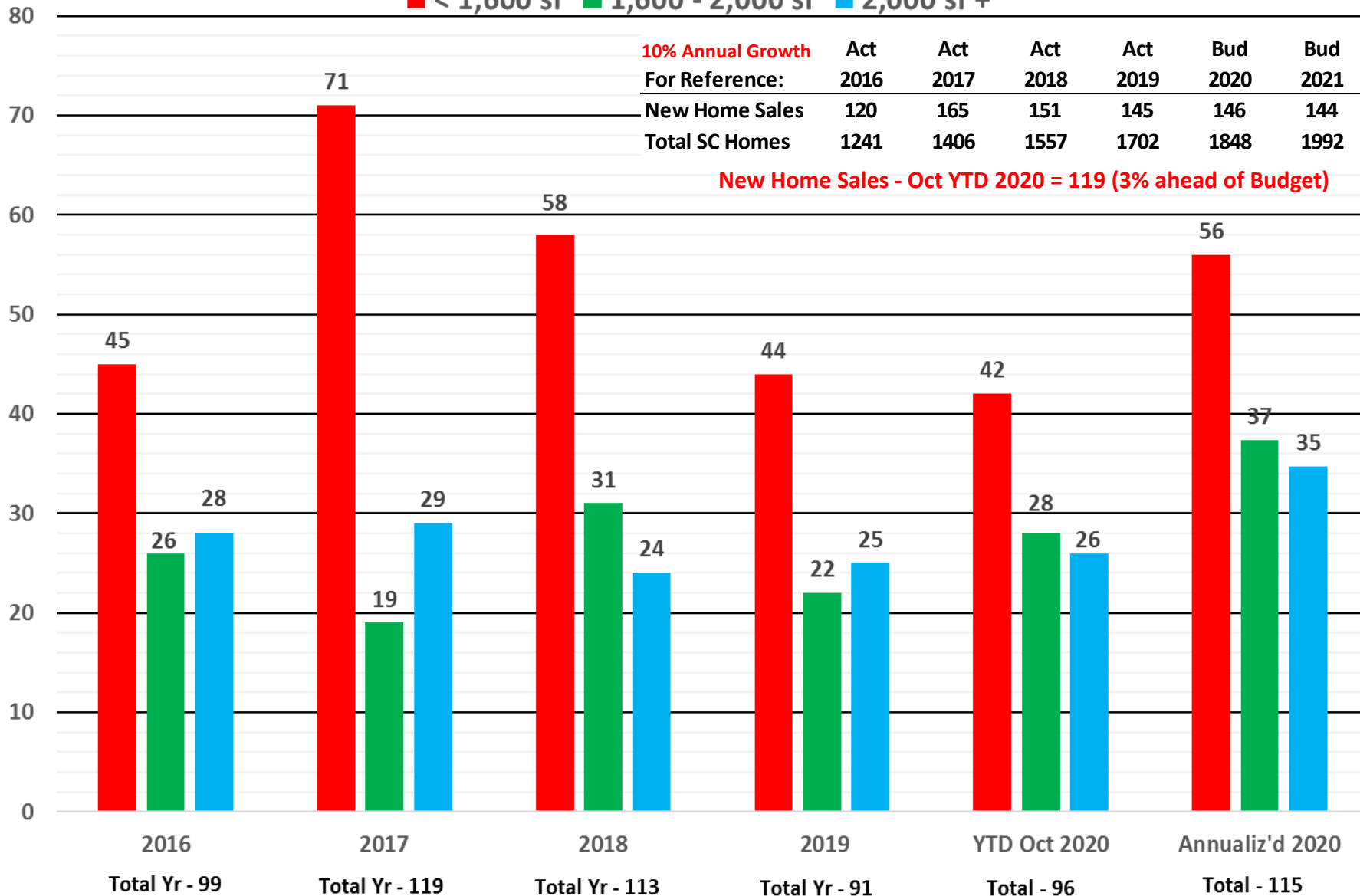
Note: Annual rate of inflation – since 2008 – 1.6%; since 2015 – 1.9%

Comparable Retirement Communities – 10 NV/UT HOA's

Sources: hoa-community.com 55places.com/nevada	2020 # Homes	Monthly Dues			Home Sq Ft Ranges		Home Prices K\$		Construction	Add'l Comments/Amenities
		Master	HOA	Total	Low	Hi	Low	Hi	Dates	
1 - Los Prados, NV	1,358	\$90	\$184	\$274	1,083	3,300	\$225	\$450	1986-1998	1 clubhouse, gated community
2 - Sun City Anthem-Henderson	7,144	\$101	\$171	\$272	NA	NA	\$250	lo \$1M	1998-2008	2 golf courses 3 clubhouses (130K sq ft total)
3 - Sun City Summerlin-LV	7,779	\$138	\$110	\$248	1,086	2,895	\$250	lo \$1M	1989-99	3 golf courses 4 clubhouses, 3 restaurants
4 - Siena - NV	2,001	\$0	\$231	\$231	1,235	3,192	\$250	lo \$1M	2000-2006	1 golf course 1 Community Center (55K sf)
5 - Sun River, St. George, UT	2,300	\$0	\$178	\$178	1,008	3,184	\$250	\$799	1998-????	1 clubhouse (35K sf), golf course
6 - Sun City Mesquite	1,848	\$44	\$110	\$154	1,256	2,564	\$233	\$550	2007-????	1 golf course, 1 restaurant 1 clubhouse (30K sq ft)
7 - Sierra Canyon-Reno	1,226	\$0	\$105	\$105	1,225	2,575	\$375	\$650	2004-2017	1 clubhouse (19K sf)
8 - Sun City Aliante-NLV	2,028	\$60	\$39	\$99	1,155	2,105	\$225	\$375	2003-2008	1 golf course, 1 clubhouse
9 - Solera @ Anthem-Henderson	1,822	\$0	\$62	\$62	1,140	1,771	\$225	\$350	2003-2008	1 golf course 1 clubhouse (24K sf), gated
10 - SC MacD Ranch-Henderson	2,513	\$0	\$60	\$60	1,090	2,027	\$225	\$525	1996-2001	1 golf course (resident owned)

Sun City Mesquite, NV - # of Resale Homes Sold by Sq Ft

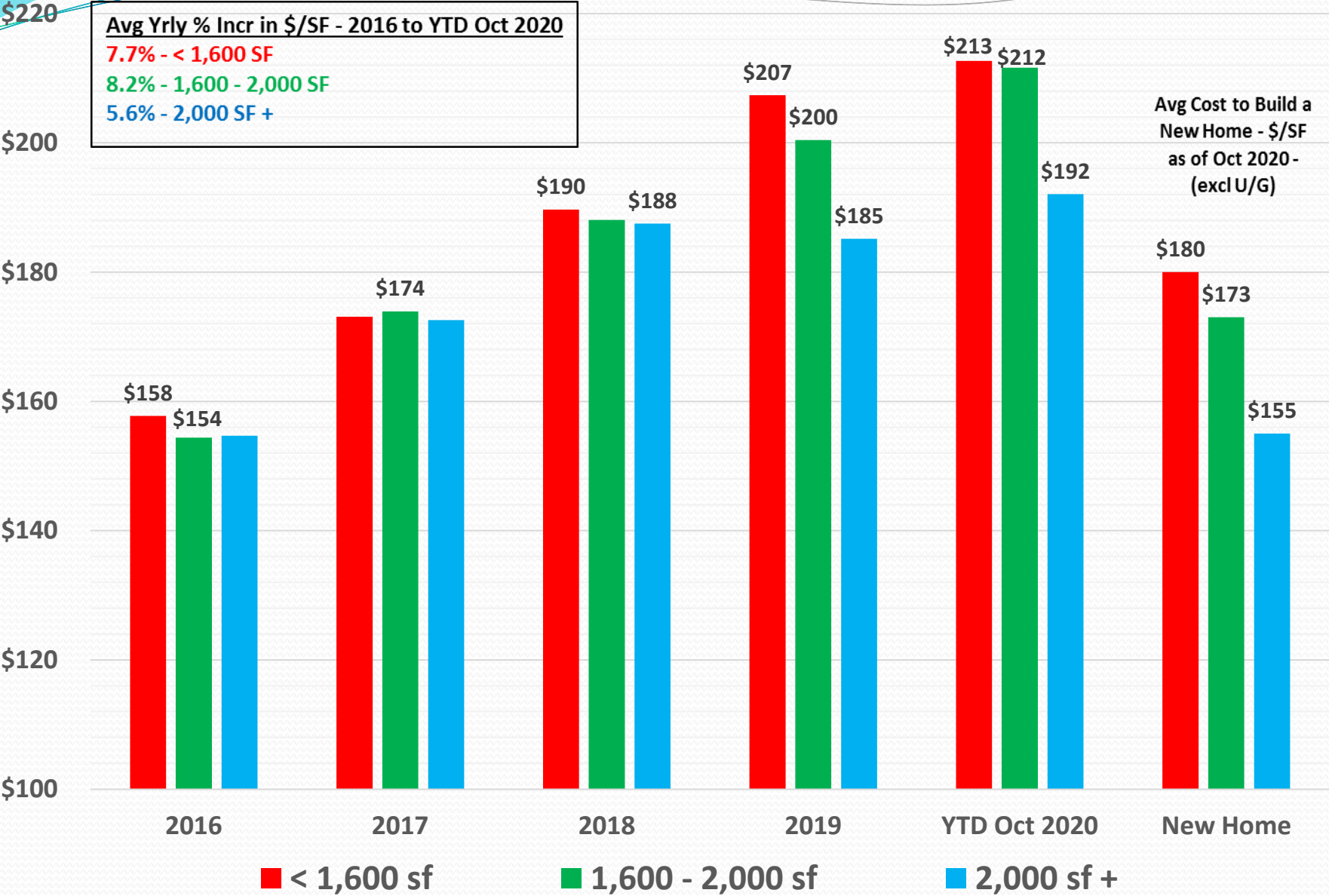
■ < 1,600 sf ■ 1,600 - 2,000 sf ■ 2,000 sf +



10% Annual Growth For Reference:	Act 2016	Act 2017	Act 2018	Act 2019	Bud 2020	Bud 2021
New Home Sales	120	165	151	145	146	144
Total SC Homes	1241	1406	1557	1702	1848	1992

New Home Sales - Oct YTD 2020 = 119 (3% ahead of Budget)

Sun City Mesquite, NV Resale \$/Sq Ft



Estimated Impact of Covid-19 on 2020 Financials

Estimates of Rev & Exp Items affected by 3 mo Shutdown	Revenue Loss	Source
Lower Assessments than Bud through Sept 2020	\$6,760	YTD Sept '20 P&L
Fitness classes Rev Loss	\$4,016	YTD Sept '20 P&L
Guest Pass Rev Loss	\$8,513	YTD Sept '20 P&L
Room Rental Rev Loss	\$3,225	YTD Sept '20 P&L
Community Events Sponsorship Rev Loss	\$3,449	YTD Sept '20 P&L
2020 Rev Loss thru Sept 2020	\$25,963	
	<u>Expense Savings</u>	
3 mos savings Concierge labor costs	\$22,382	YTD Sept '20 P&L
Actual Electric Savings	\$11,856	YTD Sept '20 P&L
Actual Propane Savings	\$17,185	YTD Sept '20 P&L
Pool Open Thru Oct 31	(\$6,200)	Increased cost est
Landscaping Savings unused - in Bud thru Sept 2020	\$9,096	Acct # 6503
3 mos gen'l operating supplies	\$1,751	YTD Sept '20 P&L
3 mos group instructors-Contract Labor	\$2,210	YTD Sept '20 P&L
Mar - Jul Special Events in Budget - cancelled	\$2,040	YTD Sept '20 P&L
3 mos credit card processing fees	\$3,863	YTD Sept '20 P&L
3 mos Beverage Bar Supplies	\$3,045	YTD Sept '20 P&L
3 mos volunteer incentives	\$475	YTD Sept '20 P&L
Total Exp Savings thru Sept 2020	\$67,703	
Net Savings thru Sept 2020	\$41,740	
	<u>Annual \$ in 2020 Bud</u>	<u>Monthly</u>
Propane	\$49,827	\$4,152
Electric	\$111,028	\$9,252
Water	\$144,168	no CV-19 Impact

Estimated Impact of Covid-19 on 2021 Financials

Add'l Covid-19 Expenses above the 2020 Budget - included in 2021 Budget			
		Add'l Monthly Exp	Annualized
	Increased Exp for Cleaning Crew	\$2,333	\$27,996
	ReJuEval Spray - \$200/case - use 1/2 case/week	\$400	\$4,800
	Fitness Center Wipes (2x incr)	\$150	\$1,800
	Sanitary Gloves- \$.25 ea	\$360	\$4,320
	Hand Sanitizer Solution for Center	\$200	\$2,400
	Misc	\$100	\$1,200
Add'l Exps due to Covid-19 - Include in 2021 Budget		\$3,543	\$42,516
	One-Time Expenses	2020 Exp	2021 Bud
	Spray Gun for Fitness Center	\$1,600	\$0
	Misc Plastic Signs/Postings for Center, literature, etc	\$500	\$0
	Other Misc	\$400	\$0
	One-Time Exps due to Covid-19 in 2020	\$2,500	\$0

Monthly Rates Approved 12-19-2017 Effective for the Fiscal Year 2021

VVWD Water

Meter Size	Water Base	Debt Service Surcharge	Block 1 \$2.06/kgal	Block 2 \$2.57/kgal	Block 3 \$3.59/kgal	Block 4 \$5.14/kgal
3/4" +	\$25.70	\$8.30	3-6	7-18	19-54	55 +
1"	\$51.30	\$10.79	1-12	13-36	37-108	109 +
1 1/2"	\$102.60	\$14.11	1-30	31-90	91-270	271 +
2"	\$205.20	\$22.41	1-48	49-144	145-432	433 +
3"	\$667.05	\$83.00	1-96	97-288	289-864	865 +
4"	\$1,026.20	\$106.24	1-150	151-450	451-1350	1351 +
6"	\$1,436.75	\$158.53	1-300	301-900	901-2700	2701 +
8"	\$2,360.35	\$219.12	1-480	481-1440	1441-4320	4321 +
10"	\$2,616.90	\$287.18	1-690	691-2070	2071-6210	6211 +
12"	\$2,822.15	\$362.71	1-930	931-2790	2791-8370	8371 +
Construction Meter	\$102.60		\$3.84/kgal			
Locked Meter	\$10.30	**	No use is allowed on a locked meter.			

All Rates are shown per EDU

Debt Reduction Fee Effective Month	Previous Rate	Rate Change	New Rate
Aug 2016	\$ 10.00	\$ -	\$ 10.00
Apr 2018	\$ 10.00	\$ (0.70)	\$ 9.30
Jul 2019	\$ 9.30	\$ (1.00)	\$ 8.30
Jul 2022	\$ 8.30	\$ (1.10)	\$ 7.20
Apr 2026	\$ 7.20	\$ (1.90)	\$ 5.30
Feb 2028	\$ 5.30	\$ (1.00)	\$ 4.30
Feb 2033	\$ 4.30	\$ (4.30)	\$ -

Increase in Rates for Higher Vol Use - Current:

Block 1 to Block 2 = 25% incr

Block 2 to Block 3 = 40% incr

Block 3 to Block 4 = 43% incr

Note: VVWD will incr rates by 2.5% for Vol Use & Base Rates beg 7/1/21, if approved at 12/15/20 VVWD BOD Mtg

<https://mesquitecitizenjournal.com/vvwd-moves-toward-water-rate-increase/>

2021 Budget vs 2020 – Key Cost Categories

	Total-2021	%	Incr/(Decr) From 2020	Incr/(Decr) From 2020	SCM	Incr/(Decr) From 2020	AMM	Incr/(Decr) From 2020
Rev	4,024,621	100.0%	281,222	7.5%	2,874,850	195,293	1,083,159	80,601
Admin	1,190,594	29.6%	43,908	3.8%	1,046,284	39,713	141,275	(4,210)
Utilities	1,030,040	25.6%	184,761	21.9%	426,954	103,763	580,070	80,998
Land & Maint	866,724	21.5%	86,550	11.1%	576,720	95,240	279,560	(8,690)
Reserves	872,874	21.7%	(44,770)	-4.9%	808,816	(40,690)	36,206	(1,248)
Total Exps	3,960,232	98.4%	270,449		2,858,774	198,026	1,037,111	66,850
Net chg in fund balance	64,389	1.6%	10,773		16,076	(2,733)	46,048	13,751

\$ in '000	Bud-2021	%	Incr/(decr) from 2020
Rev	\$4,025	100%	\$281
Admin	\$1,191	29.6%	\$44
Utilities	\$1,030	25.6%	\$185
Land & Maint	\$867	21.5%	\$87
Reserves	\$873	21.7%	(\$45)
Total Exps	\$3,960	98.4%	\$270
Change in fund bal	\$64	1.6%	\$11

Rev is driven by assessments on new home sales + increasing base of existing homes

\$19K incr Sal; \$16K Mgmt Fee; \$12K incr Insur (9%); (\$3K) savings in Special Events

\$142K incr Water; \$67K incr TDS; (\$13K) Gas Savings; (\$12K) Elec Savings

\$70K incr Landscape; \$42K CV-19 items; \$18K HVAC/Fitness maint; (\$24K) trees to resv; (\$19K) cap maint & WF

Note: In 2019, Annual Savings of \$115K was xferred to Reserves out of a \$248K surplus.

When 2020 Audit is complete, same process.

So, In the event we don't have a "drought" in 2021 those savings possibly go to reserves

Sun City Community – Committees + Board Liaison

1 – Finance – Meets Monthly to Analyze the Financials of SCM, AMM BI:

- 5 Volunteers – Highly accomplished in Finance & Legal matters, 100's of years of experience 😊
- Invaluable addition to Community Providing Analytical Support to the Board of Directors
- 12 Mtgs, 2 Capital & 10 Reserve items to BOD + Renovation \$, Insur, 2021 Budget, Cash Mgmt

2 – Architectural Review Cmtee (ARC) – Supports SCM Aesthetics & Standards via Design Guidelines:

- 4 Volunteers + 2 Staff meet 1st & 3rd Thurs each month, currently teleconferencing
- 750 Apps proj YE 2020 vs 660 in 2019 – Most common - Landscaping, Awnings, Garage A/C's
- 31 Apps for pools YTD 2020 up 30% from 24 in 2019

3 – Covenants – Uphold CC&R's, Design Guidelines & Community Rules & Regs

- 5 Elected Volunteer Reps support ARC & Community Standards
- Reference Docs are listed on the web site under “**Community Governance**”
- 1 Homeowner hearing in 2020 - 3 in 2019 & 5 in 2018

4 – Landscape – Preserve/Enhance HOA Common Areas + Environmental Assets:

- 2 - 3 Volunteers meet monthly or more frequently as necessary
- Landscaping review w/Kokopelli, water features, tree trimming w/Arborist
- Advisory re: Water Conservation Methods/Application – Conversion of Turf Area under review

5 – Communications – Focus on Awareness in SCM & How it Communicates:

- 9 Volunteers + 2 Staff produce the Monthly Newsletter – Sun City Mesquite Times
- Monthly meetings held to plan next issue & assign writers
- Volunteers or article writers always welcome !!!

Sun City Community – Pioneer Center Staff – 14 FTE's

1 – Lifestyles – Deborah Demos & Shawn Rice:

- Over a dozen complimentary events held safely with 100's of Residents in spite of CV-19
- Active Sponsor recruiting for all events continues to save \$\$\$ and maximizes Lifestyle Budget
- Ongoing creativity, diversity & excellence in Resident Services maximizes our satisfaction.

2 – Compliance/ARC & CC&R Support – Lorraine Deshayes, Diane Ouelette & Mary Tillman:

- 2020 Proj - 31 ARC Apps/mtg (750 total) - up 14% from 2019 (660 total)
- Tireless focus on Quality Combo of Speed, Accuracy & Consistency – “Everyone Handled ! “
- Daily Mgmt of Multiple Compliance-related issues – “Everyone Notified ! “

3 – Concierge – Lori Arnone + Smitty, Pattie, Gloria, Joni, Judi, Gaye, Valerie, Donna, Christina & Talia:

- 7-Day Front Desk Walk-in & Phone Support – **Covid-19 has presented extraordinary challenges.**
- Speedy Provider of Premier Cust Svc with a SMILE – “Everyone Happy ! “
- At times, esp with CV-19, this position can be overwhelming – Please be Patient

4 – Facilities Maint – John Davis + Pablo, Steve & Dale – Area is short-staffed

- All Bldg & Grounds Maintenance/Sppt – Facilities are 13 yrs old, still looking great !
- Focus on Premier Cust Svc & Quality
- 50% of Maint time was spent supporting Activity set-up, now CV-19 cleaning & Facility Upgrade

5 – Community Mgr – Phil Crapo & Seabreeze:

- Highly Competent, Award-Winning Management Team – Open-Door/Always Accessible Policy
- Quality Focus on **Budgetary Mgmt of our Dues at the Direction of the Board of Directors**
- Lorraine now CAM (Community Assoc Mgr) & Deborah is advancing towards the CAM

Sun City Community – Common Goals

3 Common Goals Between SCM Board of Directors & Sun City Homeowners

1. Maintain/Enhance our Existing Home Equity through consistently applied CC&R's and exercise "reasonable business judgment" in "adopting & amending bylaws and rules & regulations". – NRS 116.3103 General Provisions
2. Ensure Common Areas are turned over from Del Webb to the HOA in High Quality Condition with Predictable Financial Impact.
3. Ensure HOA Dues are a Fair Value for the Goods & Services Provided.

3 Common Goals Between Del Webb & Sun City Homeowners

1. Sell More Homes at Higher Prices - That benefits our Home Equity.
2. Keep a focus on the Golf Course Profitability.
3. Turn Over Common Areas in High Quality Condition with Predictable Financial Impact to HOA.


Avg Yrly % Incr in \$/SF - 2016 to YTD Oct 2020

7.7% - < 1,600 SF

8.2% - 1,600 - 2,000 SF

5.6% - 2,000 SF +

i.e. the Avg Annual % Incr in your home's value since 2016



**Thank you for Attending the
2020 Annual
Homeowners Meeting**

Sun City Community – 2021 & 2022 Reserve Expenditures

Sun City Mesquite	2021 Resv						
Asphalt	Expenditures	Q1	Q2	Q3	Q4	Done	2022
Seal & Repair Ph 1	\$121,556		\$121,556				
Crack Seal	\$63,286	\$63,286					
Concrete Repair/Stain	\$5,000						\$5,000
Clubhouse							
Recumbent Bike	\$2,500						\$2,500
Server	\$5,000			\$5,000			
Vinyl Flooring	\$23,500						\$23,500
Patio Tables & Chairs	\$8,500						\$8,500
Electrical Upgrades	\$6,000						\$6,000
Clubhouse Pavers	\$25,000			\$15,000		\$10,000	
Folding Tables (10%)	\$2,320	\$2,320					
Doors/Windows	\$40,000		\$40,000				
Mechanical							
HVAC 3 Ton	\$10,000						\$10,000
HVAC 6 Ton	\$12,000						\$12,000
HVAC 7.5 Ton (3)	\$42,000						\$42,000
HVAC 8.5 Ton	\$21,000						\$21,000
HVAC Repairs	\$5,000	\$5,000					
Thermostatic Temp Value	\$2,100					\$2,100	
Water Heater 119 Gal	\$24,000					\$24,000	

	2021 Resv						
	Expenditures	Q1	Q2	Q3	Q4	Done	2022
Pool & Spa Area Indoors							
Pool Pump/Motor	\$3,000			\$3,000			
Spa Pump/Aeration Motor (1 o	\$3,000			\$3,000			
Pool Furnishings	\$10,000						\$10,000
Pool & Spa Area Outdoors							
Pool Heater	\$20,000					\$20,000	
Pool/Pump Motor	\$1,500						\$1,500
Spa Resurface/Title (2)	\$10,000	\$10,000					
Spa Pump/Motor (4)	\$8,000			\$8,000			
Pool Furnishings	\$20,000						\$20,000
Landscaping							
Landscape Replacements	\$28,000					\$28,000	
Rock Replenish	\$15,000					\$15,000	
Tree Pruning (33% of 2451)	\$40,809		\$40,809				
Outdoor Rec Area							
Tennis/Pickleball Reseal	\$36,550			\$36,550			
Tennis/Pickle Replace	\$451,500			\$451,500			
Misc							
Grills	\$10,000		\$10,000				
Ford Van	\$30,000	\$30,000					
Street Signs (10%)	\$3,750						\$3,750
TOTALS ---->	\$1,109,871	\$110,606	\$212,365	\$522,050	\$43,000	\$56,100	\$165,750

Solar Heating the Pioneer Center Pools – Real Commercial Installation in Pahrump, NV

Red Circle are the 2,500 sf of solar panels to heat the below 2,500 sf pool

