

BOARD OF DIRECTORS MEETING
Monday, June 15, 2015 @ 1:00 PM
Minutes

Attendees: Bill Hansen, President
Merlyn Carlson, Vice President
Mike Trent, Secretary
Susan Lewis, Treasurer

Dave Poling
Al Gervenack
Bob Gooltz
Bill Frye

Connie Scott, Executive Director

Absent: Jim Swanson

- | | | |
|--|---------------|--------------|
| 1. Call to order, pledge to flag | | Bill Hansen |
| 2. Establish a quorum | | Bill Hansen |
| 3. Welcome to PORA members, guests, and press | | Bill Hansen |
| 4. Minutes of May 11, 2015, regular and special were approved. | | Bill Hansen |
| 5. PORA membership June 30, 2014 | 12,263 | |
| PORA membership for May 31, 2015 | <u>12,587</u> | |
| PORA membership in fiscal year-net gain | 324 | |
| PORA membership one year ago May 31, 2014 | <u>12,159</u> | |
| PORA membership one year ago-net gain | 428 | |
| 6. President's report – report attached | | Bill Hansen |
| 7. Executive Director's report – report attached | | Connie Scott |
| 8. Financial reports - report attached | | Susan Lewis |

Motion by Mike Trent: to approve the financial report as written was seconded and passed unanimously.

STANDING COMMITTEE REPORTS

- | | | |
|---|--|----------------|
| 9. <u>ACC Community Liaison</u> | | Al Gervenack |
| We continue to monitor the ACC solar and waste water issues. | | |
| 10. <u>Bingo</u> - report attached | | Mike Trent |
| 11. <u>Governmental Affairs</u> - report attached | | Bill Hansen |
| 12. <u>Luke Air Force Base</u> | | Mike Trent |
| The second F-35 squadron stands up. The 62nd Fighter Squadron is scheduled to begin accepting jets in July and will be joined by two partner nations, Norway and Italy. They will be starting the first class in September. | | |
| 13. <u>Marketing</u> - none | | Bob Gooltz |
| 14. <u>Membership</u> - none | | Bill Frye |
| 15. <u>PORA Adult Learning</u> – report attached | | Dave Poling |
| 16. <u>SCW-ABC Community Liaison</u> - none | | Jim Swanson |
| 17. <u>Transportation & Water</u> - report attached | | Merlyn Carlson |
| 18. <u>Utilities</u> - none | | Merlyn Carlson |

AD-HOC COMMITTEE REPORTS

- | | | |
|---|--|------------------|
| 19. <u>Infrastructure changes</u> - none | | Hansen/Gervenack |
|---|--|------------------|

NEW BUSINESS

20. Discuss proposal from American Tower in regard to cell tower Bill Hansen
- Motion** by Merlyn Carlson: we reject all three proposals and continue with the present contract was seconded and passed unanimously.
21. Approve suspension letter, for the summer months, to be sent to Realtors Bill Hansen
22. Approve the sum of \$680 for a Trace Core Analysis on PORA roof Connie Scott
- Motion** by Mike Treat: to approve the \$680 for a Trace Core Analysis on PORA roof was seconded and passed unanimously.
23. Approve 2015-2016 budget draft Bill Hansen
- Motion** by Merlyn Carlson: to approve the 2015-2016 budget, was seconded and passed unanimously.
24. Discuss space relocation proposal (report attached) Bill Hansen
- Motion** by Dave Poling: to approve the relocation of Adult Learning, IT and the Marketing Department, was seconded and passed unanimously.
25. Discuss appointment of Barbara Pitney as an Ex-official Director under the portfolio of Public Relations/Media contact. Bill Hansen
- Motion** by Al Gervenack: to approve of Barbara Pitney as an Ex-official Director under the portfolio of Public Relations/Media contact was seconded and passed unanimously.
26. **Motion** by Bob Gooltz : to change President Hansen's status as the Utility Intervener with his term concluding as President. In light of that, the Board should submit to the Arizona Corporation Commission the following: The Property Owners & Residences Association of 13815 Camino del Sol, Sun City West, AZ, 85375, does hereby amend the official title of its two Interveners inasmuch as W. R. Hansen, current President of PORA, has his term expire June 30, 2015. Therefore, effective July 1, 2015, Albert Gervenack, Vice President elect of PORA vicepres@porascw.org shall be designated as the Official Intervener, for PORA, resulting in W. R. Hansen's status to be amended to that of an Individual Intervenor was seconded and passed unanimously. Bill Hansen
27. Note the Recreation Centers release on special classes Bill Hansen
28. **Motion** by Susan Lewis: to approve the approximate sum of \$1,771 for new video equipment in conference room or former Master Gardener's room was seconded and passed unanimously. Dave Poling
29. Discuss Presidents/Vice Presidents Meeting. Bill Hansen
30. Discuss meeting with EPCOR. Bill Hansen
31. Next meeting September 21, 2015
32. Comments from Board of Directors. - none
33. Comments from PORA members, press or visitors. – none

34. Merlyn Carlson, PORA Vice President presented outgoing PORA President, Bill Hansen with an engraved clock in appreciation for his six years of service on the PORA Board. "Thank you for your leadership. In the 36 year history of PORA the last decade and your six years as president have been the most meaningful. Thank you for keeping us strong financially, and keeping us strong in our friendship with the community".
35. Adjournment 2:14 p.m.

By: Mike Trent
Mike Trent, Secretary

Date: 9/21/15

BOARD OF DIRECTORS MEETING

Monday, June 15, 2015 @ 1:00 PM

AGENDA

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|----|---|-------------------------------|--------------|
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| 2. | Establish a quorum | | Bill Hansen |
| 3. | Welcome to PORA members, guests, and press | | Bill Hansen |
| 4. | Minutes of May 11, 2015, regular and special meeting for approval | | Bill Hansen |
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| 6. | President's report | | Bill Hansen |
| 7. | Executive Director's report | | Connie Scott |
| 8. | Financial reports | Action Required/Motion | Susan Lewis |

STANDING COMMITTEE REPORTS

- | | | |
|-----|--|----------------|
| 9. | <u>ACC Community Liaison</u> | Al Gervenack |
| 10. | <u>Bingo</u> | Mike Trent |
| 11. | <u>Governmental Affairs</u> | Bill Hansen |
| 12. | <u>Luke Air Force Base</u> | Mike Trent |
| 13. | <u>Marketing</u> | Bob Gooltz |
| 14. | <u>Membership</u> | Bill Frye |
| 15. | <u>PORA Adult Learning</u> | Dave Poling |
| 16. | <u>SCW-ABC Community Liaison</u> | Jim Swanson |
| 17. | <u>Transportation & Water</u> | Merlyn Carlson |
| 18. | <u>Utilities</u> | Merlyn Carlson |

AD-HOC COMMITTEE REPORTS

- | | | |
|-----|--------------------------------------|------------------|
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|-----|--------------------------------------|------------------|

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- | | | |
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| 23. | Approve 2015-2016 budget draft | Bill Hansen |
| 24. | Discuss space relocation proposal | Bill Hansen |
| 25. | Discuss appointment of Barbara Pitney as an Ex-official Director under the portfolio of Public Relations/Media contact | Bill Hansen |
| 26. | Motion to change President Hansen's status as the Utility Intervenor with his term concluding as President. In light of that, the Board should submit to the Arizona Corporation Commission the following:
Intervenor, W. R. Hansen, President of PORA, term expires June 30, 2015. Therefore, effective July 1, 2015, the replacement officer will be Albert Gervenack, Vice-President of the Sun City West Property Owners & Residence Association (PORA), vicepres@porascw.org and his current status as additional official Intervenor. | Bill Hansen |
| 27. | Note the Recreation Centers release on special classes | Bill Hansen |
| 28. | Motion to approve the approximate sum of \$1,771 for new video equipment in conference room or former Master Gardeners room | Dave Poling |

29. Discuss Presidents/Vice-Presidents Meeting
30. Discuss meeting with EPCOR
31. Next meeting September 21, 2015
32. Comments from Board of Directors
33. Comments from PORA members, press or visitors
34. Adjournment

Bill Hansen
Bill Hansen



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PORA
Executive Director's Report June, 2015

Administration

- The new awning has been installed above entrance door #4.
- The IRS tax payer advocate, Jackie Humphries, will hold a seat at PORA on the first Wednesday of each month, going forward.
- Diane Jones, in the Consumer Services Department, has resigned as of June 26th.
- Roger Ball in Marketing has resigned effective July 1st, but will agree to work part-time on the Insider.
- Full payment has been received from Sun Cities Publishing on the Sun City West phone books.
- We received \$1,195 in donations in April and \$1,540.00 in donations in May.
- On June 23rd I will present the benefits of PORA to the Kiwanis Club.
- The annual backflow test has been performed and passed by Sun City Mechanical.

CC&Rs

- May brought 93 new violations to the CC&R Department.
- CC&R staff and volunteers completed 274 field visits in May.
- The department selected three new volunteers from the eight respondents from the advertisement in the PORA e-newsletter.

Membership

The front office recorded 1,253 walk-in residents for the month of May.

- Ellie Rabon continues to update the white pages for the Sun City West phone book.

Consumer Services

- A major accomplishment was achieved by Lynn and Diana on the Consumer Services electronic files. All vendor information, which was previously scattered throughout the software program is now consolidated so that all information pertaining to a vendor is in one folder in alpha file with a separate file for each vendor.
- We are regretful to see Diana Jones leave as she has been an asset to the Consumer Services department.
- The department assisted 708 members requiring referrals and a total of 2,373 referrals were given out in the month of May.

Visitors Center

- The visitors for the month of May totaled 717.
- Robbie Combes provided her notary service to 27 residents.

Marketing

- At the end of May, ads for the fall issue of the Adult Learning catalog are sold out bringing in a total of \$4,060.00. With this catalog, we have increased the amount to 2,500 catalogs. With the spring issue we will need to raise the price per ad to accommodate the increase in our printing costs.
- The Independent newspaper has given us a fall delivery date of October 14th for distribution of the Insider.
- We are waiting for the Rec Centers to advise us of a date for the next Vendor Expo.

PORA Adult Learning

- Summer classes started on Monday, May 4th.
- The catalog has to be sent to the printer by July 1st. Adult Learning has decided on a cover.
- Stan Hatfield purchased a bucket with a spigot for water and an empty bucket for waste water for the art classes. The idea is working very well. His idea was excellent as the previous waste water was being poured on top of the stones outside of our building.
- A full report will be given by Director Poling.

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6 YEARS of FINANCIAL & MISSION STEWARDSHIP

Looking back at the past 2 3 year terms, one adds another 6 months since it involved the change from calendar to fiscal year, commencing at end of calendar 2010. Thus the term that began in 2009, ends 6 month later in June of 2015. So our examination is based on the base year of 2008, and what has resulted from that time forward to FY 2015.

The early part of this report is predicated on a business analysis of what transpired during the 6 years. It is an effort to report on the contribution of all who served on the PORA Board of Directors during those years. The criteria is based on what transpired in 6 different areas of activity; 1) Membership levels, 2) Revenue & expenses, 3) Programs, 4) Cash/Reserves, 5) Net worth, 6) Activity Sustainability.

1. Membership: Membership patterns for a period slightly beyond the the first decade of the 21st. century have been more chaotic than during any other period in recent history of PORA. The bouncing patterns, going from an extreme high to an extreme low, exhibited themselves in 4 cycles between 2003 and 2010. 2008 was a high benchmark year when the decision was made to outsource membership accounting. From 2009 to 2012, we lost 2,163 members & if outsourcing in '08 was the particular cause is problematic, but with heightened notoriety begun in 2013, we have turned the corner toward positive growth for the past 3 years by gaining 567 members, or 5%. While we continue to do well in adding new members—currently a gain of 17% for the past 1 month—while the nagging problem of losing 16% of the renewals lingers though slightly improving. Hopefully, with the reinstatement of Membership accounting we can overcome the dreaded deficit of renewal losses. We desperately need a personalized approach to renewals to overcome the generic and impersonal approach. While we've climbed back up to 12,656, we're still just @ 89% of where we were in 2008 @ 14,246.

Voluntary membership is a volatile issue for any association like PORA, and for that reason deserves its highest priority in our mission for it is the lifeblood of our association. Likewise, we must acknowledge how tentative it is by recalling the 4,000 member drop in '89 when PORA mistakenly endorsed incorporation.

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2. Revenue & Expense: Revenue grew dramatically during this period by 40%, advancing by \$231,935 from \$563,958. to over \$805,000. This, in spite of a 4% decline in membership revenue from \$168,500 to \$161,844. or a drop of 4%. The offset of this loss fortunately was more than made up for by advances in "new" programs & enhancements in others. (see below) Concurrently, expenses only advanced by 25% during this time for a \$142,698. growth or only 2/3rds. as fast as revenue. It reflects the prudent operation & management of PORA during this era.

3. New Programs & Modifications:

Adult Learning, begun in 2004, had stagnated. Staff changes were made, emphasis was reinvigorated around 2010 that ultimated generated a 6 to 7 fold increase in enrollment from 400 up to the vicinity of 2,400. Likewise, revenues blossomed from around \$9,000. back on '10 to over \$53,400. this year.

Business Services has enjoyed considerable sucess due to capable staff contributions that have resulted in explosive growth of 140% from \$63,000. to \$152,000. this year.

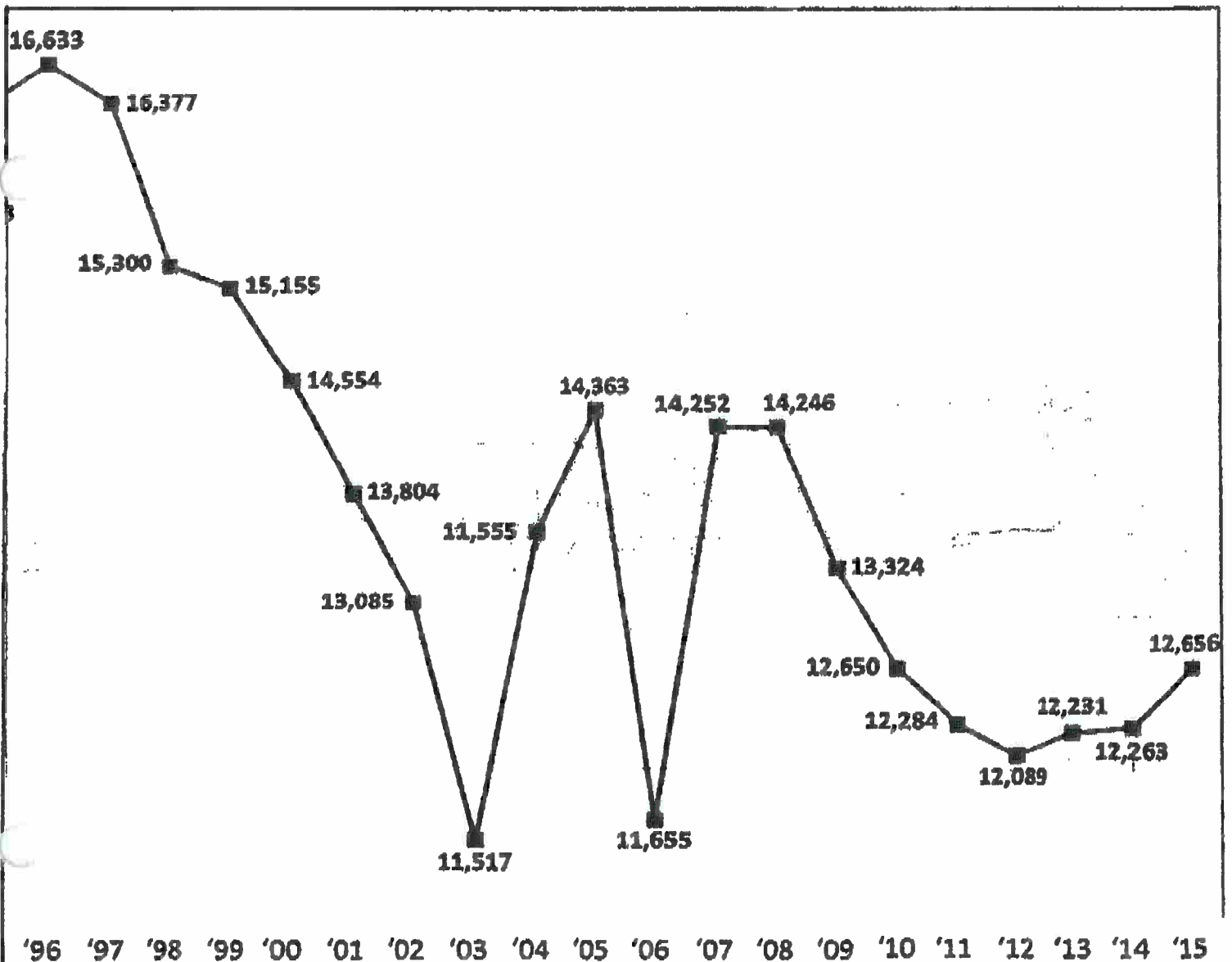
C.C. & R. revenues reflect gains as a result of greater participation by the Rec Board, with their revenues expanding from \$7,175 back in '08 to close to \$48,000. this year.

The "PORA INSIDER" magazine is another example of a new enterprise which already, in its first year, is showing signs of great sucess.

4. Cash & Reserves: When you ponder that during this period, revenue grew 40% while expenses advanced only 25%, you can see the manifestation of this in the cash/reserve figures. During this period, it made an astronomical leap from \$164,758. to \$649,328, reflecting a gain of 394%. In all but only one year, we have posted net revenue which averaged over \$80,400. each year. But even with this spectacular achievement, we must press on for the industry goal of having 1 1/2 x's your annual revenue as your reserve level, which would put us @ 54% of our goal but achievable in 7 yrs. with our current rate which seems to be improving.

5. Net Worth: Net worth has grown at a more modest rate, reflecting that we have not engaged in any major building projects that tend to explode these types of figures. Nonetheless, net worth has grown from \$881,000. to \$1,185,000. at our depreciated value on assets. It is important to note that we are keeping our building, as well as equipment & furniture all on a current and updated basis, with maintenance on a timely basis and equipment current with needs. On the financial end of things, I think it's fair to say we have brought PORA financial posture to an enviable & secure level, which is no small feat in the voluntary membership association business.

PORA Membership



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6. Activity Sustainability: The following is a resume compilation of special activity accomplishments by PORA 2009-2015.
- 2009: Continued intense preparation on major Utility battle for Consolidation of both water & sewage
Continued lobbying against the loss of Parking control
- 2010: Defeated both the water & sewage consolidation plan of Az. America
Completion & dedication of the new El Mirage Road @ 600 east of existing Road as was originally proposed, per PORA's battle
- 2011: Originated the quarterly meeting of Pres./V. Pres. of PORA & Rec. Board to facilitate stronger working relationship
Created a new Membership Brochure to use @ Newcomer meetings
Won battle in reapportionment hearings to preserve SCWest & Sun City City as separate district to maximize our representation
Rented space to all local Realtors for use of office in Visitor Center
- 2012: First installment of Noise wall on north perimeter of Expansion area.
Preserved Deer Valley Road once more, by diverting new extension from Peoria to Williams Road in Corta Bella.
- 2013: Promoted appointment of V.P. Carlson to the County Transportation Committee
Secured 2 stop lights @ Hospital area along with 2 light Fry's new area + 2 turning lanes for entrance
Preserved investment value of Solar for Homeowner
After 6 year Legislative battle, victory for SCWest's right to regulate parking, testified @ State Senate Hearings
Promoted a Farmers' Market @ PORA Headquarters
Secured support for 100% of balance of Noise Wall in Expansion area
- 2014: Reacting to 20% increase in local speeding-mainly cross traffic-secured services of 2nd. Deputy for enforcement
With Supervisor Hickman's support, secured re-zoning of 53 acres to be consistent with SCWest's restrictions
Also with Supervisor Hickman's assistance secured answer to insurance void that temporarily sidelined our Posse.
Staffer conceived new area-wide magazine called, "PORA Insider,"
PORA presentation to 850 overflow crowd @ Deer Valley on Utility proposal crisis
- 2015: Organized event to custom fit 250 residents with golf cart seat belts handled by Sheriff's Deputies
Revised C.C. & R authority, granting Rec Center all enforcement authority
Joint meeting with Rec Board & EPCOR Utility

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The ability to sustain major accomplishments is proven by the fact that PORA currently lists 36 significant accomplishments over its 36 years of existence, 15 or 42% of those accomplishment have occurred during the past 6 1/2 years, or 22.2% of PORA's lifetime. Based on that, one could conclude this past era has been PORA's most active. But reality sets in before one gloats too much for we are only in the past 3 years working ourselves out of the membership decline. During this period, this has been our worst deficiency.

I congratulate our Directors who have involved themselves in PORA's successes over the past 6 1/2 years. At the same time, I urge each Director going forward to face introspection of themselves as it relates to your board service and decide: " Am I going to be a custodian or a contender Director?" The rich heritage we have been gifted with at PORA deserves your best effort to sustain and enhance!

Closing out my 6 1/2 years as a Director, 4 as President-and the first President to endure over 3 years, I have but one negative after thought and that is why only 46% of the residents support the valiant efforts and accomplishments of PORA? The rest are nothing but positive for the Directors, Staff and dedicated volunteers it's been my pleasure to associate with. Though we may not have always agreed on everything, we were always universal in our hopes for PORA. Best of luck to all of you, and may you continue to heap great success on PORA. It will always hold a special place in my heart for a most unique experience in my life.

PORA Financials
May 2015

The numbers below reflect year to date totals from July 1 – May 31, 2015. Below is a snapshot of the top sources of income, total expense and net income vs. 2014 numbers.

<u>Source</u>	<u>2014 Actual Income</u>	<u>2015 Actual Income</u>	<u>% Increase/Decrease</u>
<i>Revenue:</i>			
Bingo	\$206,663	\$205,615	-0.5%
Membership*	\$135,916	\$145,700	+ 7.2%
Business Services	\$111,406	\$133,075	+19.5%
Adult Learning	\$ 37,600	\$ 41,335	+ 9.9%
Total Revenue	\$630,602	\$740,921	+17.5%

The Total Revenue reflects the revenue stream from all sources. Above are the top 4 sources only.

	<u>2014 Actual Expense</u>	<u>2015 Actual Expense</u>	<u>% Increase/Decrease</u>
Total Expense	\$570,599	\$628,001	+10.1%
Net Income	\$60,003	\$112,920	+88.2%

Cash Assets:

BMO Harris Operating Account	52,076.13
BMO Harris Money Market Sav's	203,870.42
Mutual of Omaha CD's (4)	250,606.76
BMO Harris CD's (1)	48,432.25
Compass Bank CD's (2)	83,278.41
BMO Harris Bingo Account	32,316.82

Total Cash Assets	\$ 670,580.79	2014 Cash Assets \$ 568,366.65
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Susan Lewis, Treasurer, 06/15/2015

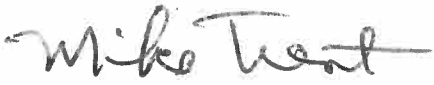
*Membership totals include residence membership, business/professional membership and associate membership.

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Bingo Report May-15

Number of Weeks Played	5	Avg: ~	0
Number of Players			
Total in Checking Account as of:	4/30/2015		\$ 31,958.84
Income:			23138.00
Total Card Sales	22900.00		
Total Supply Sales	238.00		
Expenses:			22780.02
Total Prizes Awarded	17110.00		
Inducements Paid Out	1220.00		
Other Expenses			
Rent	1800.00		
Bingo Supplies	2650.02		
			
Total in Checking Account as of:	5/31/2015		\$32,316.82

Respectfully Submitted,



Mike Trent, Director
Bingo Proceeds Coordinator

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LONG TERM GOALS									
FISCAL YEAR SUMMARY	# OF STUDENTS	CLASSES TAKEN	REVENUE \$	REV/COURSE	PENETRATION				
					FALL/SPRING				
FY 2015/16 PROJECTED	2,122	3,680	47,740	\$151.56	TBD				
FY 2014/15 TARGET TTLS	1,600	2,900	\$41,000	\$162.70	2.11/2.78%				
FY 2013/14 TOTALS-ACT	1,370	2,530	\$36,875	\$163.89	1.84/2.36%				
FY 2012/13 TOTALS-ACT	951	2,269	\$27,187	\$152.74	1.54/1.56%				
FY 2011/12 TOTALS-ACT	641	1,421	\$20,360	\$160.31	1.0/1.21%				

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REPORT FOR PORA BOARD MEETING

June 15, 2015

ROADS, SAFETY & TRAFFIC COMMITTEE

Last Meeting May 27th

Next Meeting Sept. 23

- John Merkel reported on preliminary accident study, full presented in fall
- Designated detour for Bell/Grand intersection in progress
- Preservative seal and Slurry seal completed however concern expressed of quality control
- MDOT reported on street and intersection study following concern expressed. Most concerns did not warrant any change, however a few intersections will be improved for safety
- Greg Swift, President of SCW Cyclist Club presented suggestions for improved bicycle lanes on 5 different intersections. MCDOT will implement a full study and possible implementation.
- Open questions remaining:
 - Radar speed sign
 - Go Slow signs
 - Resting benches

WATER COMMITTEE MEETING

Last meeting on June 2nd

Next meeting Sept. 1st

- Shaina Shay, Water Resource Analyst for EPCOR presented several programs for water conservation in progress. Great amount of interest expressed.
- Todd Patty, SCWRC golf course Superintendent reported water us at 107 ac. ft. below allotment at this point. Many new water conservation practices implemented.
- Dave Hunter, reported Briarwood is 17 ac. ft under allotment as well.
- Drilling of new well at 145th and Yosemite still in progress.
- Todd Patty of the SCWRC golf courses will prepare water awareness white paper for use by our new publication entitled "Insider". Deadline June 15th
- Indicated EPCOR will be filling Waste Water Consolidation case to ACC in Sept. 2015
- Many comments from committee urging any and all good water conservation practices should be promoted by all.

BOARD AGREEMENT ON SPACE ALLOCATION
REPORT

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JUNE 8, 2015

Under Agenda Item # 6, President Hansen presented a formal Space Allocation report containing 3 pages of statistical data and 10 pages of space exhibits. This was the 3rd. Space Allocation presentation that the Board has considered over the last 9 month period.

I. ADULT LEARNING:

It was initiated as a result of the Board decision to vacate the large space occupied by Master Gardners (616 sq. ft.) for the past 25 years rent free. Following considerable discussion, there was consensus agreement to dedicate that space to Adult Learning classroom, thus allowing Camino II classroom to be converted into office space for the Adult Learning program, with its classroom fixtures being transferred to the new large classroom. Exhibit D. attached provides a possible arrangement for the office space. The entire 385 sq.ft. will be used exclusively by Adult Learning, with 3 staff stations initially. Admittedly, there is ample room for expansion but this is one program most likely to expand.

II. MARKETING:

Marketing would move from its present location to the quarters formerly occupied by Adult Learning office and I.T. Offices, in an area adjacent to the front lobby. Following prolonged discussion, during which it was mentioned that Marketing Staff does not want to interact in the same space with I.T. due to the need for privacy in their contract negotiations. Ultimately, it was agreed that Marketing will occupy the entire 250 sq.ft area exclusively, up from their current 126.5 sq.ft., and approximately doubling of area. They are currently employing 2 persons 3 days a week, and one person 2 days a week with no planned expansion at this time. See Exhibit G. for a tentative layout of the room.

III. I.T.

As a result of the discussion to move I.T. from their current location, I.T. will move its desks, computers, and phones from the present area to the former room occupied by Marketing. See Exhibit I for a possible layout within their new quarters. However, they will still have occasional contact with NW corner of the former room that houses the Electronic Storage Equipment Unit. Being segmented from that storage area will invoke some inefficiencies but utilization of that storage area is infrequent. Item # II & III were adopted in conformity with the Staff Proposal. See Exhibit I for tentative room arrangement.

IV. MEMBERSHIP ACCOUNTING IN-HOUSE

For the past 8 years, PORA has Out-sourced membership accounting along with financial accounting. During that period, we have lost over 2,163 members, with a renewal drop rate averaging 16%. In the past 3 years, we have enjoyed gains in new members that has given us a plus gain but we still feel more personal attention needs to be given to renewals. Last October the Board approved such a move pending available space. The former Print Shop space is now available and can now be utilized for this purpose. Staffer will have to be hired, equipment acquired & new procedures set in place. See Exhibit I for tentative room arrangement.