

**COTTONWOOD PALO VERDE AT SUN LAKES
ANNUAL MEETING OF THE MEMBERS
MINUTES
March 30, 2022**

Directors Present: Roger Beagle, Gay Zawatski, Frank Gould, Don Hicks, Bud Jenssen, Len Horst, and Irene D'Aloisio

New Member: Glenn Martinsen

Directors Not Present: N/A

Also Present: General Manager, Steve Nolan

The meeting was called to order at 4:00pm by Board President, Roger Beagle. Mr. Beagle introduced General Manager, Steve Nolan.

General Manager's Report on the Association

Steve Nolan presented a slide presentation of the Association's Organizational Chart and the 2021 major project accomplishments and approvals: in February the Auditors advised the HOA that our audit was outstanding with no adjustments for the 10th year, the CW/PV Irrigation Pump Station renovation at hole #4 was approved; in April the COVID-19 State Mask Mandate was lifted and both Recreation and Food & Beverage events were restarted and sold out; in July the PV Restaurant updates were approved; in August the old fitness center renovation project was approved and the contract was awarded to Farnsworth Construction; in November digital voting was approved as a result of recommendations by the Election Committee; in December a new Kia Patrol vehicle was purchased.

Mr. Nolan announced that Margarito Roque (Common Area Landscape Dept.) was named 2021 Employee of the Year.

2021 Audited Financials & Financial Results

Frank Gould presented a slide presentation of the 2021 Financials: the Overall Financial Summary, revenues exceeded budget, expenses were below budget, wages were below budget due to difficulties in hiring. He noted there were no adjustments to the Financial Records for a 10th year.

Mr. Gould stated that the detailed reports could be viewed, and questions answered after this meeting or by contacting Brian Shaw.

Mr. Gould asked if there were any questions from the Board or audience. There were no questions.

Sun Lakes Homeowners Association #2
Financial Summary
December 31, 2021
(UNAUDITED)

	Current Month ACTUAL	Year to Date ACTUAL	Year to Date Budget	Year to Date VARIANCE	Prior Year to Date Actual
Homeowner Services (1)					
Revenues	\$ 455,061	\$ 5,390,192	\$ 5,434,725	\$ (44,533)	\$ 4,918,858
Expenses	462,799	4,646,379	4,872,729	226,350	4,226,384
Net	\$ (7,738)	\$ 743,813	\$ 561,996	\$ 181,817	\$ 692,474
Food & Beverage					
Revenues	\$ 455,538	\$ 3,791,142	\$ 3,700,582	\$ 90,560	\$ 2,452,444
Expenses	431,014	3,979,090	3,985,649	6,559	2,646,855
Net	\$ 24,524	\$ (187,948)	\$ (285,067)	\$ 97,119	\$ (194,411)
Golf					
Revenues	\$ 281,656	\$ 2,788,395	\$ 2,564,503	\$ 223,892	\$ 2,643,292
Expenses	307,222	2,985,663	2,841,432	(144,231)	2,824,254
Net	\$ (25,566)	\$ (197,268)	\$ (276,929)	\$ 79,661	\$ (180,962)
Association Net					
	\$ (8,780)	\$ 358,597	\$ -	\$ 358,597	\$ 317,101
Palo Verde Gate (2)					
Revenues	\$ 19,297	\$ 228,220	\$ 228,000	\$ 220	\$ 217,778
Expenses	22,184	229,169	228,000	(1,169)	218,137
Net	\$ (2,887)	\$ (949)	\$ -	\$ (949)	\$ (359)

- (1) Homeowner Services includes Administration, Patrol, Recreation, Facilities, Custodial, Pools and Landscaping.
(2) Palo Verde Gate expenses are paid only by the Palo Verde residents.

Special Funds
December 31, 2021

	Capital Reserve Fund (1)	Capital Improvement Fund (2)	Palo Verde Gate Fund (3)	Voluntary Contribution Fund	Special Assessment Fund
Fund Balance January 1, 2021	\$ 6,074,911	\$ 1,397,576	\$ 3,482	\$ 250,891	\$ 297,442
Additions from Dues, Fees, etc	1,115,808	313,902	-	116,000	-
Contribution for PV Restroom Remodel	23,750			(23,750)	
Closeout of Special Assessment Account	297,446				(297,446)
Interest Earned	10,758	432		3	4
Expenditures for:					
Golf Courses & Equipment	(513,341)				
HOA-Several Items	(1,108,930)	(347,137)	-	-	
Fund Balance December 31, 2021	\$ 5,900,402	\$ 1,364,773	\$ 3,482	\$ 343,144	\$ -

Notes:

- (1) Funds set aside to replace worn out equipment, building parts, etc.
(2) Funds set aside to improve and/or add to existing facilities.
(3) Funds set aside to replace worn out parts and improve the PV gate (funding from PV residents only).

Number of homes sold this month is 25, 324 YTD is resulting in revenue of \$487,068.00 ytd.

Board Motions

Len Horst made a motion, seconded by Don Hicks, to accept the independent audit performed by Ginsburg & Dwaileebe of the Association's 2021 financial records as per the official audit report, and reflecting no needed adjustments to the Association's December 31, 2021 financial report.

The floor was opened to Board & homeowner comments. There were no comments. **Motion carried unanimously.**

Bud Jenssen made a motion, seconded by Frank Gould, to approve the transfer of \$949 from the PV Gate Fund to the HOA Operating Account to cover the 2021 shortfall.

The floor was opened to Board & homeowner comments. There were no comments. **Motion carried unanimously.**

Don Hicks made a motion, seconded by Len Horst, to approve the transfer of \$358,000 from the HOA Operating Account to the HOA Carry Forward Fund. This represents the surplus from 2021 Operations.

The floor was opened to Board & homeowner comments. There were no comments. **Motion carried unanimously.**

President's Message

Roger Beagle thanked the homeowners for voting on the updated Bylaws and everyone involved in putting the vote together. He explained the selection process for the new General Manager and announced General Manager Steve Nolan's last day will be July 31, 2022. The new General Manager will be announced around mid-July as we are respecting his current job situation. Mr. Beagle summarized the past and future growth of the HOA. He discussed how he became involved with the HOA Committees and the Board. He thanked several previous Board members and the impact they had on him. He also noted the various updates and projects that were completed while he was on the Board: PV Patio cover, 2 renovations of the PV Restaurant, the Fitness Activity Center, new pickleball courts, the enhancement of the CW Bar & Grille, CW & PV bathroom redesigns, refurbishing community pools and tennis courts, redesign and updating of two irrigation pump stations for CW and PV golf courses, Vote-now digital voting system, on the horizon is a hearing assist system, nearing completion is the CLC Meeting Facility. Mr. Beagle then thanked all the homeowners.

Plans for 2022

President, Roger Beagle reviewed the 2022 Capital Improvement Project List that was adopted at the monthly Board meeting held on Wednesday, January 26, 2022.

2021/2022 Directors Comments

Bud Jenssen: Thanked Roger and wished him the best; thanked Steve, Brian Shaw, managers, staff, and committee members for all their work.

Irene D'Aloisio: Thanked Roger, homeowners for their thoughts, volunteers, and committee members, thanked the Board members, welcomed new Board member Glenn Martinsen.

Gay Zawatski: Thanked Roger and noted how she learned a lot from him, thanked all the volunteers and committees.

Frank Gould: Thanked Roger, congratulated Brian Shaw and his staff, happy to see homeowner participation.

Don Hicks: Thanked Roger for his hard work and dedication, teamwork accomplished the CLC project, thanked Jim Miller and Terry Wilson, thanked homeowners for supporting the Board and the CLC project.

Len Horst: Thanked Roger and wished him the best, thanked Steve and his staff, thanked homeowners and the committees.

Presentation to Outgoing Board Members

Steve Nolan thanked outgoing Board President, Roger Beagle for his contribution, hard work and service on the Board. He then presented him with a gift commemorating his service.

Introduction of New Board Members

Steve Nolan introduced and welcomed new Board member, Glenn Martinsen and welcomed the return of Bud Jenssen. He thanked them for serving.

Introduction of Board Officers

At this time, the new Board positions were announced: President- Leonard Horst; Vice President- Gay Zawatski; Secretary- Don Hicks; Treasurer- Frank Gould; Director- Bud Jenssen, Director- Irene D'Aloisio, and Director- Glenn Martinsen.

Homeowner Comments:

- Homeowner Larry Chedister asked why the PV Gate Fund is overrun. Frank Gould noted it has to do with the maximum we can raise the fee every year, which is normally 5%. The difference is less than \$1,000.

The meeting adjourned at 4:52 PM

Respectfully submitted,



Don Hicks
Board Secretary