

**COTTONWOOD PALO VERDE AT SUN LAKES  
BOARD OF DIRECTORS  
MEETING MINUTES  
February 23, 2022**

**DIRECTORS PRESENT:** Roger Beagle, Gay Zawatski, Frank Gould, Don Hicks, Bud Jensen, Len Horst

**DIRECTORS NOT PRESENT:** Irene D'Aloisio

**ALSO PRESENT:** General Manager, Steve Nolan

**INVITED GUESTS:** None

**CALL TO ORDER:**

President Roger Beagle called the meeting to order at 3:00 PM in the Saguaro Room. He stated the meeting was being recorded for the accuracy of the minutes.

**PLEDGE OF ALLEGIANCE:**

President Roger Beagle led the audience in the Pledge of Allegiance.

**INTRODUCTION OF MANAGERS:**

President Beagle introduced the Managers present at the meeting.

**APPROVAL OF THE JANUARY 26, 2022 BOARD MEETING MINUTES:**

President Beagle called for the approval of the January 26, 2022 Board Meeting Minutes. ***Bud Jensen made a motion, seconded by Gay Zawatski, to approve the January 26, 2022 Board Meeting Minutes.*** The floor was opened to Board & homeowner comments. There was no discussion. ***Motion carried unanimously.***

**PRESIDENT'S MESSAGE:**

President Beagle reminded everyone of the 2022 Capital Improvement Workshop on March 7<sup>th</sup> @ 1:30pm in the Saguaro Room and the Annual Board Meeting on March 30<sup>th</sup> at 3pm in the San Tan Ballroom. He thanked Steve Nolan, Management, the Board Members and all the Committee Members for their hard work and commitment to our community. He also thanked the homeowners for allowing him to serve. Stay informed of community events by attending Board Meetings and reading The Flyer and In The Know.

**EMPLOYEE OF THE MONTH:**

Carla Teusaw is our February Employee of the Month. Carla has been with Cottonwood PaloVerde Food & Beverage for 4 years. She has great relationships with peers, managers and homeowners alike. She is always willing to work shifts when others cannot and always willing to stay until the job is complete. Carla is well-versed as a server, server assistant, expo, bar back, trainer, host and buffet extraordinaire. She takes the time to train new hires and explain not only how we do things, but why we do them. Carla has taken the initiative to build useful tools that promote organization and expedite training. She comes to work with a positive attitude and brightens our day.

**TREASURER'S REPORT:**

Director, Frank Gould presented the January 31, 2022, Financial Summary. Congratulations to the Accounting Department for 10 years in a row of clean audits. In the past, Year to Date Net comparisons were made between current and prior years. The last time it was meaningful was when we compared 2019/2018. When COVID hit the 2020/2019 comparisons did not give good numbers/good idea of what was happening. When comparing 2021/2020 we have the same problem. This will continue for 2022 because the restaurants were running at half capacity for the first 3 months and the concerts did not

start until April 2021. A detailed report will be available for viewing at Homeowner Services, by appointment. ***Don Hicks made a motion, seconded by Gay Zawatski to approve the January 31, 2022, pre-audited Financial Report.*** The floor was opened to Board & homeowner comments. There was no discussion. ***Motion carried unanimously.***

**Sun Lakes Homeowners Association #2**  
**Financial Summary**  
**January 31, 2022**  
**(UNAUDITED)**

	<b>Current Month ACTUAL</b>	<b>Year to Date ACTUAL</b>	<b>Year to Date Budget</b>	<b>Year to Date VARIANCE</b>	<b>Prior Year to Date Actual</b>
<b>Homeowner Services (1)</b>					
Revenues	\$ 483,899	\$ 483,899	\$ 474,666	\$ 9,233	\$ 456,320
Expenses	404,573	404,573	425,838	21,265	348,020
Net	\$ 79,326	\$ 79,326	\$ 48,828	\$ 30,498	\$ 108,300
<b>Food &amp; Beverage</b>					
Revenues	\$ 409,229	\$ 409,229	\$ 378,521	\$ 30,708	\$ 232,415
Expenses	412,237	412,237	378,026	(34,211)	246,001
Net	\$ (3,008)	\$ (3,008)	\$ 495	\$ (3,503)	\$ (13,586)
<b>Golf</b>					
Revenues	\$ 276,477	\$ 276,477	\$ 257,249	\$ 19,228	\$ 264,503
Expenses	227,460	227,460	230,932	3,472	214,641
Net	\$ 49,017	\$ 49,017	\$ 26,317	\$ 22,700	\$ 49,862
<b>Association Net</b>					
	\$ 125,335	\$ 125,335	\$ 75,640	\$ 49,695	\$ 144,576
<b>Palo Verde Gate (2)</b>					
Revenues	\$ 19,943	\$ 19,943	\$ 19,921	\$ 22	\$ 19,082
Expenses	20,385	20,385	19,922	(463)	18,756
Net	\$ (442)	\$ (442)	\$ (1)	\$ (441)	\$ 326

- (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**  
**January 31, 2022**

	<b>Capital Reserve Fund (1)</b>	<b>Capital Improvement Fund (2)</b>	<b>Palo Verde Gate Fund (3)</b>	<b>Voluntary Contribution Fund</b>
<b>Fund Balance January 1, 2021</b>	\$ 5,900,402	\$ 1,364,773	\$ 3,482	\$ 343,144
<b>Additions from Dues, Fees, etc</b>	37,600		-	
<b>Contribution for PV Restroom Remodel</b>				
<b>Closeout of Special Assessment Account</b>				
<b>Interest Earned</b>	1,000	100		
<b>Expenditures for:</b>				
<b>Golf Courses &amp; Equipment</b>				
<b>HOA-Several Items</b>	(86,853)		-	-
<b>Fund Balance December 31, 2021</b>	\$ 5,852,149	\$ 1,364,873	\$ 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, 25 YTD is resulting in revenue of \$38,284.00. ytd.

## **COMMITTEE AND TASK FORCE REPORTS:**

**Architectural Compliance Committee:** The report was given of their meetings held on February 8 and 22. Among the subjects discussed at the meetings were: 134 permits approved, 1 permit denied, 3 permits past due. Their next meetings are March 8 and 22 at 8:30 AM in the Saguaro Room. They have one (1) recommendation for the Board: to approve changes to ACC Guideline Page 13 #14; Garages, Carports and Golf Cart Enclosures Item C. They have no recommendations for Management. The floor was opened to Board & homeowner discussion. There was no discussion. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

**Audit & Finance Committee:** The report was given of their meeting held on February 3. Among the subjects discussed at the meeting were: monthly reports were given, discussed goals and member assignments. Their next meeting is March 3 at 3:00 PM in the Ceramics Room. They have one (1) recommendation for the Board: to approve LaVerne Johnson to the committee. They have no recommendations for Management. The floor was opened to Board & homeowner discussion. There was no discussion. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

**Communications Committee:** The report was given of their meeting held on February 7. Among the subjects discussed at the meeting were: monthly reports were given. Their next meeting is March 7 at 9:00 AM in the Ceramics Room. They have no recommendations for the Board or Management. The floor was opened to Board & homeowner discussion. There was no discussion. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

**Election Committee:** The report was given of their meeting held on February 2. Among the subjects discussed at the meeting were: monthly reports were given, Bylaw changes were updated, Board Member candidates were verified. Their next meeting is March 2 at 3:00 PM in the Ceramics Room. They have no recommendations for the Board or Management. The floor was opened to Board & homeowner discussion. There was no discussion. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

**Facilities & Grounds Committee:** The report was given of their meeting held on February 1. Among the subjects discussed at the meeting were: monthly reports were given, reviewed criteria for evaluating projects. Their next meeting is March 1 at 10:00 AM in the Paint Room. They have no recommendations for the Board. They have one (1) recommendation for Management: to purchase a portable bar for the Cottonwood Bar & Grille. The floor was opened to Board & homeowner discussion. There was no discussion. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

**Food & Beverage Committee:** The report was given of their meeting held on February 3. Among the subjects discussed at the meeting were: monthly reports were given. Their next meeting is currently scheduled for March 3 at 9:00 AM in the Palo Verde Lounge. They have no recommendations for the Board or Management. The floor was opened to Board & homeowner discussion. There was no discussion. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

**Golf Committee:** The report was given of their meeting held on February 2. Among the subjects discussed at the meeting were: monthly reports were given, review how Chelsea assigns t-times. Their next meeting is currently scheduled for March 2 at 2:00 PM in the Dance Room. They have one (1) recommendation for the Board: to approve Joe Ficek as CW Men's Club Representative to the committee. They have no recommendations for Management. The floor was opened to Board & homeowner discussion. There was no discussion. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

**Recreation / Entertainment Committee:** The report was given of their meeting held on February 1. Among the subjects discussed at the meeting were: monthly reports were given. Their next meeting is currently scheduled for March 1 at 9:00 AM in the Dance Room. They have no recommendations for the Board or Management. The floor was opened to Board & homeowner discussion. There was no discussion. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

**Safety & Security Committee:** The report was given of their meeting held on February 2. Among the subjects discussed at the meeting were: monthly reports were given, planning for Safety Day. Their next meeting is March 2 at 9:00 AM in the Saguaro Room. They have no recommendations for the Board or Management. The floor was opened to Board & homeowner discussion. There was no discussion. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

### **PROJECT UPDATE:**

**CLC Project (aka. Old Fitness Center Renovation):** Mr. Hicks noted the project is on schedule and is expected to finish in mid-April. The interior walls have been painted, ceiling grids installed, fire suppression sprinkler system completed, HVAC ceiling hookups underway, tile installation and toilets underway, glass studio cabinets are ordered and scheduled to be installed at the end of April due to material delivery delay. Len Horst asked if there was still money in the contingency fund. Mr. Hicks commented that even though we ran into unexpected expenses and the need to bring the building to current codes, the project will finish under budget. The contingency budget was a little more than adequate.

### **MANAGEMENT REPORT:**

Mr. Nolan reported Facilities Maintenance had a busy month: preventative maintenance on HVAC units across the property, removed rock/stucco/repaired leak at PV decorative fountain and reconditioned the entire fountain, painted all walls of golf course restrooms, changed sand in sand filters at CW pools, installed dashcams in 2 patrol vehicles, repaired damaged areas on Michigan pool deck, all spas on property were drained and cleaned, assisted housekeeping due to labor shortage. For the most up to date information, please read The Flyer and In The Know. Please vote for the Bylaw changes when voting is opened.

### **DIRECTORS COMMENTS:**

**Gay Zawatski:** thanked homeowners for attending the Board Meeting, thanked Brian Shaw and Carla Teusaw for their excellent work.

**Don Hicks:** congratulated Brian Shaw and Carla.

**Len Horst:** congratulated Brian Shaw and his team for 10 years of clean audits, congratulated Carla on being Employee of the Month.

### **CAPITAL RESERVE REPLACEMENT FUND:**

President Beagle introduced Capital Reserve Replacement request #12, Item A.

**Frank Gould made a motion, seconded by Bud Jenssen, to approve replacing a 2.5 ton HVAC Unit located at the San Tan Gate with a 2.5 ton Trane HVAC Unit for a cost of \$6,998 from Monster Air & Mechanical. (Asset #2164/YTBR: 2022).** The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

President Beagle introduced Capital Reserve Replacement request #12, Item B.

**Don Hicks made a motion, seconded by Len Horst, to approve replacing a Toro Workman at Cottonwood Golf Maintenance with a Toro Workman HDX for a cost of \$32,401 from Simpson Norton Company. (Asset #1027/YTBR: 2016).** The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

### **PV GATE RESERVE FUND: NONE**

## **CAPITAL IMPROVEMENT FUND: NONE**

## **VOLUNTARY CONTRIBUTION FUND: NONE**

### **OLD BUSINESS:**

President Beagle introduced Old Business #16, Item A.

***Len Horst made a motion, seconded by Don Hicks, to approve changes to Board Policy 4-02, Home Purchase Fees.*** The floor was opened to Board & homeowner discussion. Frank Gould noted this is in reference to the Capital Contribution Fee that is collected at the close of escrow. Homeowner Ray Overholt questioned if the fee was on top of the HOA fee and if it was only for home flippers. Frank Gould noted it is a fee for new homeowners to help cover past costs incurred by current homeowners and the HOA. Steve Nolan further commented that it is a fee paid by all new homeowners with the transfer of property. Glenn Martinsen asked if it is a fixed rate. Mr. Gould noted the amount will be reviewed annually. ***Motion carried unanimously.***

### **NEW BUSINESS:**

President Beagle introduced New Business #17, Item A.

***Don Hicks made a motion, seconded by Gay Zawatski, to approve Joe Ficek as Cottonwood Men's Club Representative to the Golf Committee.*** The floor was opened to Board & homeowner discussion. There was no discussion. ***Motion carried unanimously.***

President Beagle introduced New Business #17, Item B.

***Bud Jenssen made a motion, seconded by Frank Gould, to approve LaVerne Johnson to the Audit & Finance Committee.*** The floor was opened to Board & homeowner discussion. Bud Jenssen asked if this would be the 5<sup>th</sup> or 6<sup>th</sup> Committee Member. Frank Gould noted she will be the 5<sup>th</sup> Member. ***Motion carried unanimously.***

### **FIRST READINGS:**

The Board of Directors unanimously agreed to place the following into First Readings for 30-day review by the Board and Homeowners:

- A. Approve changes to ACC Guideline Page 13, #14; Garages, Carports, and Golf Cart Enclosures, Item C. The floor was opened to Board & homeowner discussion. There was no discussion.

### **HOMEOWNER COMMENTS:**

- Homeowner Joe Tighe asked where he can find changes relating to the ACC Guideline in First Readings. Roger Beagle directed him to the ACC Guideline Manual and the website. Steve Nolan noted the current Guideline does not include the garage and carport being "attached" to the house.
- Homeowner Bob Neuer questioned items he had read on the NextDoor App 1) the poor sound quality at events in ballroom 2) lake issues regarding dead fish. Roger Beagle noted the Board does not communicate on NextDoor. Scott Anderson noted the lakes are a constant challenge with Golden Algae, water temperature changes and Pima Utilities working on one of the wells at the South Lake. Don Hicks noted he was at the last show and did not notice any issues with the quality of the sound system.
- Homeowner Ray Overholt asked if there is a way to get updates on crimes committed in the area. Steve Nolan noted that the County does not inform the HOA when a crime is committed. Patrol Manager Tom Catri directed homeowners to websites/apps such as Spotcrime and LexisNexis for updates on crimes committed in the area.
- Homeowner Patricia Magao asked to have updates published in The Flyer and In The Know regarding the fish kills, algae, etc. to hopefully stop rumors. Scott Anderson said we will be more proactive.
- Homeowner Wanda Johnson asked about the potholes and timeframe for road construction in Cottonwood. Steve Nolan noted there have been County delays due to COVID and staffing. They

have scheduled construction to start by the end of March and will be resurfacing every road in Cottonwood. The roads in Cottonwood are County roads and the HOA cannot legally make any repairs. Homeowners can contact Patrol who will notify MCDOT and make them aware of any road issues.

- Homeowner Harry Bicchieri wanted to remind everyone of "Art At The Lakes" on Saturday, March 5<sup>th</sup> from 9:00am-2:00pm.

The meeting adjourned at 4:10 PM

Respectfully submitted,



Roger Beagle, Board President