

**COTTONWOOD PALO VERDE AT SUN LAKES  
BOARD OF DIRECTORS MEETING  
MINUTES  
June 27, 2012**

NOT APPROVED

Directors present: Don Hicks, Bud Jenssen, Woody Neiman, Mel Rasmussen, Kathy Skrei, Bob Spruiell and George Thomas

Also present: Steve Nolan, General Manager

Board President Kathy Skrei called the meeting to order at 3:00 p.m. It was stated the meeting is being recorded for accuracy of the minutes.

Bud Jenssen gave a biography of the family members of Recreation Manager, Linda Caton, who served in the military. Linda then led the Pledge of Allegiance. Linda was then thanked for her family's military service and her service to the community.

**PRESIDENT'S MESSAGE:** Kathy Skrei explained that, at the May Board Meeting, it was the PV restroom bid that was rejected not the project. Bob Spruiell and Don Hicks are currently working on getting the price down. She spoke on the Arizona Corporate Commission's scheduled open meeting regarding the Pima increase and encouraged homeowners to attend and voice their opinions on July 10, 2012, at 10:00 a.m. in the Navajo Room, Sun Lakes Country Club.

**TREASURER'S REPORT**

Woody Neiman presented the May 31, 2012, pre-audited financial report. It was stated that the final financial summary will be available in Homeowner Services.

At this time, Mel Rasmussen made a motion, seconded by Don Hicks, to approve the May 30, 2012, Board Meeting Minutes and the May 31, 2012, pre-audited financial report. Motion carried unanimously.

**Sun Lakes Homeowners Association #2  
Financial Summary  
May 31, 2012**

	Year to Date Actual	Year to Date Budget	Year to Date Variance
<b>Homeowner Services (1)</b>			
Revenues	\$ 1,496,065	\$ 1,484,185	\$ 11,880
Expenses	(1,302,415)	(1,419,749)	117,334
Net	\$ 193,650	\$ 64,436	\$ 129,214
<b>Food &amp; Beverage</b>			
Revenues	\$ 1,114,542	\$ 1,069,402	\$ 45,140
Expenses	(1,105,966)	(1,107,036)	1,070
Net	\$ 8,576	\$ (37,634)	\$ 46,210
<b>Golf</b>			
Revenues	\$ 1,096,452	\$ 1,134,158	\$ (37,706)
Expenses	(949,829)	(941,399)	(8,430)
Net	\$ 146,623	\$ 192,759	\$ (46,136)
<b>Association Net</b>			
	\$ 348,849	\$ 219,561	\$ 129,288

Notes:

(1) Homeowner Services includes Administration, Patrol, Recreation, Facilities, Custodial, Pools and Landscaping.

**Special Funds  
May 31, 2012**

	Capital Reserve Fund (1)	Capital Improvement Fund (2)	Palo Verde Gate Fund (3)	Special Assessment Fund	Voluntary Contribution Fund
<b>Fund Balance January 1, 2012</b>	\$ 4,779,595	\$ 746,013	\$ 61,309	\$ 24,469	\$ 4,455
<b>Revenues</b>	658,884	977,212	5	1,776	19,020
<b>Expenses</b>	(1,039,868)	(900,112)		(11,232)	(13,780)
<b>Fund Balance May 31, 2012</b>	\$ 4,398,611	\$ 823,113	\$ 61,314	\$ 15,013	\$ 9,695

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 24, 129 YTD , resulting in revenue of \$152,222.00 YTD.

## **COMMITTEE REPORTS:**

**Architectural Compliance Committee:** The report was given of their meeting held June 7. They will not have a meeting in July. Next meeting is August 2, 8:30 a.m., in the Phoenix Room. There were no recommendations for the Board at this time.

**Audit & Finance Committee:** The report was given of their meeting held June 12. Next meeting is July 10, 1:00 p.m., in the Saguaro Room. It was reported that they will have openings on their committee this next year and encouraged applications. There were no recommendations for the Board at this time. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

**Communications Committee:** The report was given of their meeting held June 6. Next meeting is July 11 at 7:00 a.m. in Ceramics Room. There were no recommendations for the Board at this time. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

**Election Committee:** This committee did not meet in June.

**Facilities & Grounds Committee:** The report was given of their meeting held June 5. Next Meeting is July 3. There were no recommendations for the Board at this time. It was reported that they will have openings on their committee this next year and encouraged applications. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

**Food & Beverage Committee:** This committee did not meet in June.

**Golf Committee:** This committee did not meet in June due to lack of quorum. Next meeting is July 5 in the Ceramics Room.

**Recreation Committee:** The report was given of their meeting held June 4. Next meeting is July 2, in the Phoenix Room. There were no recommendations for the Board at this time. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

**Safety, Security & Access Committee:** The report was given of their meeting held June 6. Next meeting is July 3, 10:00 a.m., in the Saguaro Room. There were no recommendations for the Board at this time. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

**Administration Building Replacement Task Force:** It was reported that the project is pending rezoning and homeowner vote.

## **PROJECT REPORTS:**

**Palo Verde Pool Restroom:** It was reported that the architect and civil engineer are working on plans which should be back next week. Then they will meet with contractor. After that it will go to the Board.

**Rezoning:** Nothing new to report.

**Pickleball Report:** Pending rezone.

**Cell Tower:** It was reported that a preconstruction meeting was held. Construction will begin in August.

**Fountain Report:** It was reported that SRP is coming out mid July. During that time power in the CW Pro shop will be out. They are looking to keeping power up with a generator. Soon after that they should be able to install the fountain.

**MANAGEMENT REPORT:** Steve Nolan gave the management report.

## **DIRECTORS COMMENTS:**

**Kathy Skrei:** Commented favorably about the new roof at Palo Verde and thanked Jim Miller.

**George Thomas:** Commented on budget planning savings, recycling program and the savings to the community. Commented on the savings to the community due to the purchase of a Prius to replace a Patrol truck. He encouraged everyone to share their ideas for cost savings for the community.

**Bob Spruiell:** None

**Woody Neiman:** Encouraged homeowners to attend the Corporation Commission's July 10 open meeting regarding the Pima water rate increase. He thanked managers and staff for their work.

**Mel Rasmussen:** Thanked Linda Caton for her service to the community and her family for their service to our country. He thanked Food and Beverage and the Food & Beverage Managers for their continued positive financials. He thanked Dick Norris for his dedication to the safety of this community as Chairperson to the Safety, Security & Access Committee.

**Don Hicks:** He thanked Linda Caton and her family's military sacrifice. He thanked Food & Beverage for another month of positive financial performance year to date.

**Bud Jenssen:** Commented favorably on the new patio furniture at Cottonwood. He talked about the success of the "Pass the Platter" event. He thanked Linda Caton and her family for their contributions to the community and country.

**CAPITAL RESERVE REPLACEMENT FUND REQUESTS:**

Don Hicks made a motion, seconded by Woody Neiman to approve the replacement of the Lake #12 Fountain (Common area lake) by Advance Pump, at a cost of \$8,956.57 plus a 10% contingency for a total cost of \$9,852.00. This was a sole source bid due to compatibility and parts availability. There was discussion. Motion carried unanimously.

**PV GATE RESERVE FUND: NONE**

**CAPITAL IMPROVEMENT FUND REQUESTS: NONE**

**OLD BUSINESS:**

Bob Spruiell made a motion, seconded by Bud Jenssen, to approve changes to B.P. 8-02 Banquet Facility Use. Motion carried unanimously.

**NEW BUSINESS:**

George Thomas made a motion, seconded by Bob Spruiell, to approve changes to B.P. 4-13 (Salary Schedule). Motion carried unanimously.

Woody Neiman made a motion, seconded by George Thomas, to approve changes to B.P. 4-14 (Pay Range). Motion carried unanimously.

**FIRST READINGS:** The following will be in First Readings, available for viewing in Homeowner Services:

- A. Approve revised Reciprocal Agreement between Sun Lakes HOA#2/Cottowood Palo Verde and Sun Lakes HOA #1/Sun Lakes Country Club.

**HOMEOWNER COMMENTS:**

The following subjects were commented on and discussed:

- Palo Verde restroom.
- Request to add the current month to the financial report.
- Fountains on the common areas.
- Food & Beverage historical profit and loss.
- Fountains in common areas budget concerns and a possible homeowner vote on this issue.

The meeting adjourned at 3:40 p.m.

Respectfully submitted,

Bud Jenssen, Secretary