

**COTTONWOOD PALO VERDE AT SUN LAKES
BOARD OF DIRECTORS
MEETING MINUTES
January 27, 2021**

DIRECTORS PRESENT: Roger Beagle, Gay Zawatski, Frank Gould, Hank Unck, Don Hicks, Bud Jenssen, Irene D'Aloisio

DIRECTORS NOT PRESENT: None

ALSO PRESENT: General Manager, Steve Nolan

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.

President Beagle noted that homeowners can send in questions or comments by email, regarding items on the Agenda prior to the Board voting. Homeowners will have 5 minutes to submit their questions before the Board votes on the Agenda item. Questions or comments may be submitted to Boardmeeting@sunlakes2.com.

PLEDGE OF ALLEGIANCE:

Vice President Gay Zawatski led the audience in the Pledge of Allegiance.

APPROVAL OF THE DECEMBER 30, 2020 BOARD MEETING MINUTES:

President Beagle called for the approval of the December 30, 2020 Board Meeting Minutes. ***Gay Zawatski made a motion, seconded by Bud Jenssen, to approve the December 30, 2020 Board Meeting Minutes.*** The floor was opened to Board & homeowner comments. There was no discussion. ***Motion carried unanimously.***

PRESIDENT'S MESSAGE:

President Beagle thanked management for their help and support making our community run smoothly. He congratulated Marshall Reichert and Josh Blackburn for passing the Certified Beer Service Exam. Mr. Beagle encouraged homeowners to get their COVID vaccine and acknowledged it isn't easy signing up for an appointment, but to keep trying. The Board and Committees will be conducting a Workshop on February 8th at 2pm to coordinate the Committee meetings restarting in March.

EMPLOYEES OF THE YEAR:

Adan Ruelas did an amazing job this past year in the Common Area. The Cottonwood Palo Verde Common Area Department was constantly short staffed. Adan has most certainly been the glue that held that group together. Adan maintained the morale of the team by remaining focused on weekly and monthly tasks. He has been encouraging and supportive of his team. Adan has managed through the challenges of COVID, the challenges of a long HOT summer, the challenges of overseeding and the stress of winter holidays. Adan continues to display a positive attitude. He is incredible when dealing with homeowner challenges. He stops without hesitation to address their immediate needs. He continually goes above and beyond to make sure homeowner concerns are addressed. Thank you Adan for all your efforts and hard work. CW/PV is better because of you.

Natasha Martinez-Wilson has been employed at Cottonwood Palo Verde in the housekeeping department since November 14, 2017. She has worked her way up from housekeeper to Cottonwood/Palo Verde weekend housekeeping supervisor. Natasha is a very involved supervisor, making sure that her crew always comes first. If they need any help or direction, she will stop her work to make sure they are assisted in any way. Natasha is always one of the first employees that will volunteer for additional work, especially when we have new projects that are ready to open (i.e. FAC building, CW Bar & Grill and the

PV newly remodeled restroom). She pays attention to details in her daily cleaning and expects the same from her crew. Natasha will not ask her employees to clean anything she won't do herself. She is one of those "great employees" that all companies strive to find and have as part of their company. She has found her home here at CW/PV. Thank you Natasha for making Cottonwood Palo Verde beautiful.

EMPLOYEE OF THE MONTH:

Alberto Martinez, General Maintenance Tech, is our January 2021 Employee of the Month. Alberto "the Ninja" as the Facilities Department nicknamed him was unanimously selected as our January 2021 Employee of the Month. The quiet, always smiling, compassionate Alberto excels in everything he does. Alberto takes the initiative to handle a task while professionally performing it. Without hesitation Alberto assists the Painter and whoever may need a helping hand. Alberto is a Jack of All Trades and a treasure.

TREASURER'S REPORT:

Treasurer, Frank Gould presented the December 31, 2020 Financial Summary and year end results for 2020. He noted all funds are healthy. A detailed report will be available for viewing at Homeowner Services, by appointment. As mentioned in previous reports, our Management Team's efforts to control costs and generate new revenues have contributed greatly to the HOA's sound financial status. Due to COVID-19 revenues for 2020 were roughly \$1 million less than budgeted, however our management team did a great job controlling expenses leading to a yearend positive net of \$317,000. **Hank Unck made a motion, seconded by Don Hicks to approve the December 31, 2020, pre-audited Financial Report.** The floor was opened to Board & homeowner comments. Dave Hocesvar noted 10 additional homes were sold in 2020 over 2019. **Motion carried unanimously.**

**Sun Lakes Homeowners Association #2
Financial Summary
December 31, 2020**

	Current Month ACTUAL	Year to Date ACTUAL	Year to Date Budget	Year to Date VARIANCE	Prior Year to Date Actual
Homeowner Services (1)					
Revenues	\$ 406,581	\$ 4,918,858	\$ 5,019,000	\$ (100,142)	\$ 4,873,641
Expenses	406,530	4,226,384	4,714,000	487,616	4,329,554
Net	\$ 51	\$ 692,474	\$ 305,000	\$ 387,474	\$ 544,087
Food & Beverage					
Revenues	\$ 217,012	\$ 2,452,444	\$ 3,405,437	\$ (952,993)	\$ 3,527,687
Expenses	259,946	2,646,855	3,736,437	1,089,582	3,669,982
Net	\$ (42,934)	\$ (194,411)	\$ (331,000)	\$ 136,589	\$ (142,295)
Golf					
Revenues	\$ 235,308	\$ 2,643,292	\$ 2,727,000	\$ (83,708)	\$ 2,597,507
Expenses	231,307	2,824,254	2,701,000	(123,254)	2,698,974
Net	\$ 4,001	\$ (180,962)	\$ 26,000	\$ (206,962)	\$ (101,467)
Association Net					
	\$ (38,882)	\$ 317,101	\$ -	\$ 317,101	\$ 300,325
Palo Verde Gate (2)					
Revenues	\$ 18,347	\$ 217,778	\$ 216,684	\$ 1,094	\$ 207,737
Expenses	16,709	218,138	216,684	(1,454)	213,089
Net	\$ 1,638	\$ (360)	\$ -	\$ (360)	\$ (5,352)

(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, 2020

	Capital Reserve Fund (1)	Capital Improvement Fund (2)	Palo Verde Gate Fund (3)	Voluntary Contribution Fund	Special Assessment Fund
Fund Balance January 1, 2020	\$ 6,355,358	\$ 785,913	\$ 8,834	\$ 163,891	933,267
Additions from Dues, Fees, etc	812,000	588,748			
Reimbursement from FAC Account for Prior Costs	53,642	160,925			(214,567)
Contributions				87,000	
Interest Earned	44,500	1,064			5,209
Expenditures for:					
Golf Courses & Equipment	(206,697)				
HOA-Several Items	(983,892)	(139,074)			(426,467)
Repay Operations for 2019 Shortfall			(5,352)		
Fund Balance December 31, 2020	\$ 6,074,911	\$ 1,397,576	\$ 3,482	\$ 250,891	\$ 297,442

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 37, 331 YTD is resulting in revenue of \$484,970.00.

COMMITTEE AND TASK FORCE REPORTS:

The following Committees did not meet in January: Architectural Compliance, Audit & Finance, Communications, Facilities & Grounds, Food & Beverage, Golf, Recreation/ Entertainment and Safety & Security. Committee meetings have been suspended until March, with the exception of the Election Committee which will be meeting to prepare for the 2021 Elections. President Beagle commented that Committee Meetings will resume in March.

Architectural Compliance Committee: There was no meeting in January; however, an update was given of the ACC permits for the month and recommendations to the Board. 138 permits were approved, 0 permits denied, and 12 permits were two weeks past due. They have no recommendations for the Board or Management.

Communications Committee: There was no meeting in January; however, Chairperson Dave Hocevar noted the Communications Committee has the task of creating a yearly history of the HOA. The report for 2020 has been submitted to Management for review and addition to the website.

Election Committee: The report was given of their meeting held on January 6. Among the subjects discussed at the meeting were: COVID guidelines for Board Election ballot counting, change in location and time for "Meet the Candidate". Their next meeting is February 3 at 3:00 PM in the Ceramics Room. They have no recommendations for the Board or Management. President Beagle asked how many homeowners are expected at "Meet the Candidate". Mr. Sproates was not sure, but noted the setup would meet COVID requirements. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

PROJECT REPORTS:

Palo Verde Restroom Renovation: Mr. Nolan reported the renovation of the Palo Verde Restrooms is complete and the Association has received numerous positive comments.

MANAGEMENT REPORT: Mr. Nolan gave the management report and noted COVID is still impacting everyone. Facilities Maintenance has been very busy taking down Christmas decorations, repairing and painting a wall near CW Tennis Court #5, inspecting all emergency exit lights on property and making repairs and replacing batteries, cut out a damaged drain line at the PV kitchen sink and replacing piping from the floor to the vent pipe, repairing the Michigan gate above the entrance drive, installing paper towel and soap dispensers at the newly remodeled PV restrooms, locating the main water line for the

Contactors at the new Pickleball construction site, starting preventative maintenance on all HVAC units, cleaning pool salt cells. For the most up to date information, please read The Flyer and In The Know.

DIRECTORS COMMENTS:

Bud Janssen: congratulations Marshall & Josh for passing the Certified Beer Service Exam, Adan & Natasha for receiving the Employees of the Year, Alberto for being the Employee of the Month, thanked Dave Hocevar for all the pictures he has taken of the various projects

Hank Unck: congratulated the Employees of the Year and Employee of the Month, noted the positive year end budget for 2020 and the great work by management

Gay Zawatski: thank you everyone

Frank Gould: congratulated the Employees of the Year and Employee of the Month, the past year has been great regarding finances

Don Hicks: congratulated the Employees of the Year and Employee of the Month

Irene D'Aloisio: congratulated the Employees of the Year and Employee of the Month, thanked management for everything they do and homeowners for their support

CAPITAL RESERVE REPLACEMENT FUND: NONE

PV GATE RESERVE FUND: NONE

CAPITAL IMPROVEMENT FUND: NONE

VOLUNTARY CONTRIBUTION FUND: NONE

PALO VERDE RESTROOM RENOVATION: NONE

OLD BUSINESS: NONE

NEW BUSINESS:

President Beagle introduced New Business request #17, Item A.

Don Hicks made a motion, seconded by Frank Gould to approve the Sun Lakes Homeowners Association #2 Organization Chart. The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

FIRST READINGS:

The Board of Directors unanimously agreed to place the following into First Readings:

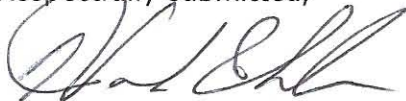
- Changes to Board Policy 9-09, Campaign/Political Signage.

HOMEOWNER COMMENTS:

- Dave Hocevar asked about the content of changes to BP 9-09 and how it would affect Board Candidate signage. President Beagle noted the changes are in 1st Reading and there would be no affect to the Board Candidates and they should use the current Board Policy. Irene D'Aloisio noted the Policy is being changed to meet Maricopa County requirements.

The meeting adjourned at 3:40 PM

Respectfully submitted,



Hank Unck, Secretary