

**COTTONWOOD PALO VERDE AT SUN LAKES
BOARD OF DIRECTORS
MEETING MINUTES
June 29, 2022**

DIRECTORS PRESENT: Leonard Horst, Gay Zawatski, Frank Gould, Don Hicks, Bud Jenssen, Irene D'Aloisio, Glenn Martinsen

DIRECTORS NOT PRESENT: None

ALSO PRESENT: General Manager, Steve Nolan

INVITED GUESTS: None

CALL TO ORDER:

President Leonard Horst called the meeting to order at 3:00 PM in the San Tan Ballroom. He stated the meeting was being recorded for the accuracy of the minutes.

PLEDGE OF ALLEGIANCE:

Secretary, Don Hicks led the audience in the Pledge of Allegiance.

INTRODUCTION OF MANAGERS:

President Horst introduced the Managers present at the meeting.

APPROVAL OF THE MAY 25, 2022 BOARD MEETING MINUTES:

President Horst called for the approval of the May 25, 2022 Board Meeting Minutes. ***Glenn Martinsen made a motion, seconded by Gay Zawatski, to approve the May 25, 2022 Board Meeting Minutes.*** The floor was opened to Board & homeowner comments. There was no discussion. ***Motion carried unanimously.***

PRESIDENT'S MESSAGE:

President Horst thanked everyone for attending. He noted this is Steve Nolan's last Board Meeting as our General Manager as he is retiring. Over Steve's 16 years as GM he has overseen various new and reconstruction projects which have benefitted us all. He has developed an outstanding staff of managers who will carry on with the current plans and build on his legacy. The Board invites all homeowners to Steve's Retirement Open House Thursday, July 14th from 4-6pm in the newly renovated Saguaro Room. We wish Steve and Fran well as they enter this new phase of life. A new General Manager has been hired and his name is Steve Hardesty. Steve will be on site effective July 18th. Steve has served as the Community Services Director for Casa Grande the past 5 years. He has overseen 5 large divisions in the city including golf, parks, recreation, libraries, and seniors. His annual operating budget has been in the \$8.5 million range. He has directed over \$30 million in Capital Projects in the past 4 years and 150 employees. Steve is originally from Kansas, is a graduate of Washburn University, is a member of the PGA of America and a past Board Member of that organization. He is an active and competitive tennis player. Steve and his wife Marvel are excited for this new opportunity. An event hosted by the Board will be held later this summer. Watch for more details in The Flyer and In The Know.

EMPLOYEE OF THE MONTH:

Congratulations to Josh Orndorff for being selected as our June 2022 Employee of the Month. Josh initially was hired on February 7, 2019 in the Food & Beverage Department as a server. Due to his excellent customer service skills, positive attitude, attention to details, great work ethic and his passion for serving, Josh was offered a new role in our Recreation Department. He has a caring and inquisitive nature. He plans well in advance and juggles many responsibilities: keeping communication areas filled with the most up-to-date information, completes the weekly activity schedule, creates event flyers, schedules facility rooms, assists in decorating for events, as well as fills in for the Recreation Manager

when needed. Josh is always willing to help others. His physical strength is appreciated by all with the heavy lifting of boxes, equipment, etc. We are very happy to have Josh on our team.

TREASURER'S REPORT:

Director, Frank Gould presented the May 31, 2022, Financial Summary. 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 May 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
May 31, 2022
(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	\$ 460,758	\$ 2,359,801	\$ 2,333,330	\$ 26,471	\$ 2,242,647
Expenses	413,915	2,125,172	2,143,070	17,898	1,834,621
Net	\$ 46,843	\$ 234,629	\$ 190,260	\$ 44,369	\$ 408,026
Food & Beverage					
Revenues	\$ 345,707	\$ 2,289,235	\$ 1,893,922	\$ 395,313	\$ 1,488,947
Expenses	374,465	2,189,048	1,861,668	(327,380)	1,399,898
Net	\$ (28,758)	\$ 100,187	\$ 32,254	\$ 67,933	\$ 89,049
Golf					
Revenues	\$ 235,980	\$ 1,401,855	\$ 1,246,245	\$ 155,610	\$ 1,314,465
Expenses	247,914	1,228,948	1,176,232	(52,716)	1,177,502
Net	\$ (11,934)	\$ 172,907	\$ 70,013	\$ 102,894	\$ 136,963
Association Net	\$ 6,151	\$ 507,723	\$ 292,527	\$ 215,196	\$ 634,038
Palo Verde Gate (2)					
Revenues	\$ 19,948	\$ 99,935	\$ 99,605	\$ 330	\$ 95,439
Expenses	19,493	99,619	99,610	(9)	91,400
Net	\$ 455	\$ 316	\$ (5)	\$ 321	\$ 4,039

- (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
May 31, 2022

	Capital Reserve Fund (1)	Capital Improvement Fund (2)	Palo Verde Gate Fund (3)	Voluntary Contribution Fund
Fund Balance January 1, 2022	\$ 5,900,402	\$ 1,364,773	\$ 3,482	\$ 343,144
Additions from Dues, Fees, etc	228,014		-	
Contribution for PV Restroom Remodel				
Closeout of Special Assessment Account				
Interest Earned	6,100	550		82
Expenditures for:				
Golf Courses & Equipment	(69,955)			
HOA-Several Items	(687,291)	(2,861)	-	-
Fund Balance May 31, 2022	\$ 5,377,270	\$ 1,362,462	\$ 3,482	\$ 343,226

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 35, 152 YTD is resulting in revenue of \$251,664 ytd.

COMMITTEE AND TASK FORCE REPORTS:

Architectural Compliance Committee: There was no meeting but permits continue to be approved: 73 permits were approved, 0 permits denied, 4 permits past due. Their next meetings are September 13 and 27 at 8:30 AM in the CLC Phoenix Room.
They have no recommendations for the Board or Management.
The floor was opened to Board & homeowner comments. There were no comments.

Audit & Finance Committee: No Meeting in June. Their next meeting is currently scheduled for September 1 at 3:00 PM in CLC Meeting Room #1.

Communications Committee: No Meeting in June. Their next meeting is currently scheduled for September 12 at 9:30 AM in CLC Meeting Room #1.

Election Committee: No Meeting in June. Their next meeting is currently scheduled for September 7 at 3:00 PM in CLC Meeting Room #1.

Facilities & Grounds Committee: No Meeting in June. Their next meeting is currently scheduled for September 6 at 10:00 AM in CLC Phoenix Room.

Food & Beverage Committee: No Meeting in June. Their next meeting is currently scheduled for September 1 at 9:00 AM in the Palo Verde Lounge.

Golf Committee: No Meeting in June. Their next meeting is currently scheduled for September 7 at 2:00 PM in CLC Phoenix Room.

Recreation / Entertainment Committee: No Meeting in June. Their next meeting is currently scheduled for September 6 at 9:00 AM in CLC Meeting Room #1.

Safety & Security Committee: No Meeting in June. Their next meeting is currently scheduled for September 7 at 9:00 AM in CLC Meeting Room #1.

PROJECT UPDATE:

Saguaro Room Refresh: Jim Miller, Facilities Manager, gave the following update: the flooring company is coming in on Friday and should be complete mid next week, ceiling tile will be replaced this week, windows will be tinted next week. Completion is scheduled for approximately July 10th if not sooner.

MANAGEMENT REPORT:

Mr. Nolan thanked everyone as he moves into retirement from 26 years as a Police Officer and 16 years as General Manager of our outstanding community. I will miss the managers, staff, homeowners, and Board members. I have been lucky to have had great managers over the years and I have learned something valuable from each of you. I owe a great debt of gratitude to our Board of Directors over the years who have allowed me to grow as a manager and have encouraged me along the way, you never micromanaged but promoted teamwork between the Board of Directors and managers. Over the years we have turned CWPV into one of the top communities in Arizona and I am proud of that. We could not have done it without the support of our Board of Directors and our homeowners. The support of our homeowners is what makes us different from the other communities in Sun Lakes. It has been a great privilege to work for such a supportive community. I leave Cottonwood PaloVerde in excellent hands and I'm sure the new Steve will do a great job and will continue on a path of success.

DIRECTORS COMMENTS:

Irene D'Aloisio: the current recommended audio system we have been testing is not meeting our satisfaction and we are looking into other systems for hearing assistance. This project is being worked on but will be delayed. Jim Miller noted the current systems have a delay that makes it difficult to follow conversations.

Don Hicks: Steve and I worked closely together on the Administration Building and the Fitness Activity Center. Steve has done much more than people realize. Thank you.

Gay Zawatski: listed the upcoming events; Steve Nolan's Retirement Open House on July 14th from 4-6pm for CWPV homeowners and a "Meet and Greet" on August 18th from 4-6pm to meet our new General Manager, Steve Hardesty. More information will be in The Flyer, In The Know and by e-blast.

CAPITAL RESERVE REPLACEMENT FUND:

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

Don Hicks made a motion, seconded by Gay Zawatski, to approve replacement of the current Workman with a new Toro Workman HDX from Simpson Norton Company for a cost of \$32,401. (Asset #1002/YTBR: 2016). The floor was opened to Board & homeowner discussion. Mr. Horst asked if this equipment is for Cottonwood, the anticipated delivery date and what can be expected from the sale of the equipment. Scott Anderson responded yes, delivery is approximately 10-12 months, and the sale, if any, will be \$500. **Motion carried unanimously.**

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

Glenn Martinsen made a motion, seconded by Gay Zawatski, to replace the current Salad Dressing Cooler at Palo Verde Restaurant with a Beverage-Air Model SPE48HC-12-23 from Webstaurant for a cost of \$3,789. (Asset #2340/YTBR: 2022). The floor was opened to Board & homeowner discussion. Gay Zawatski asked if we just found out the equipment did not meet Maricopa County standards. Josh Blackburn explained during periodic checks there were inconsistencies in the cooler temperatures which created extra precautionary steps to verify food temperatures. Don Hicks asked what assurance we have that the new coolers will meet Maricopa County standards. Josh explained the new coolers are new and more reliable brands and daily temperatures will be taken. If there are any issues the coolers are under a 3 year warranty. Mr. Hicks asked if on future equipment orders will you require that they meet Maricopa County standards. Josh commented that any equipment needing to be replaced in the future will specify the necessary requirements. **Motion carried unanimously.**

President Horst introduced Capital Reserve Replacement request #12, Item C.

Glenn Martinsen made a motion, seconded by Gay Zawatski, to replace the current Refrigerated Sandwich Prep Table Cooler at Palo Verde Restaurant with a Beverage-Air Model SPE27HC-B from Webstaurant for a cost of \$1,940. (Asset #2342/YTBR: 2022). The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

President Horst introduced Capital Reserve Replacement request #12, Item D.

Gay Zawatski made a motion, seconded by Don Hicks, to replace the two (2) current Two Door Sliding Door Refrigerators at Palo Verde Restaurant with a Beverage-Air Model MMR38HC-1-BS from Webstaurant for a cost of \$9,658. (Asset #2347/YTBR: 2017). The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

PV GATE RESERVE FUND: NONE

CAPITAL IMPROVEMENT FUND:

President Horst introduced Capital Improvement Fund request #14, Item A.

Don Hicks made a motion, seconded by Gay Zawatski to add the Dry Well Drainage System to Sisk Park as an addition to the Board Agenda. The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

Don Hicks made a motion, seconded by Gay Zawatski, to install a Dry Well Drainage System in the Sisk Park water retention area located at E. Navajo Place from P.E. Drilling for a cost of \$14,286 plus a 15% contingency for a total cost of \$16,429. The floor was opened to Board & homeowner discussion. Don Hicks noted this is #7 on the Capital Improvement Projects List for 2022.

The current water retention pond is not draining properly. P.E. Drilling is a very reputable company and has installed 3 other drainage ponds in CWPV. A homeowner asked if there is a warranty on their work. Scott Anderson noted the warranty on the Well is for 2 years and we just received information that they should be able to start by September 2022. **Motion carried unanimously.**

VOLUNTARY CONTRIBUTION FUND: NONE

OLD BUSINESS:

President Horst introduced Old Business #16, Item A.

Glenn Martinsen made a motion, seconded by Irene D'Aloisio, to approve changes to Board Policy 8-02A, Facility Use Regulations Other Amenities. The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

President Horst introduced Old Business #16, Item B.

Gay Zawatski made a motion, seconded by Don Hicks, to approve the addition of Board Policy 7-80, Bocce Ball Court Regulations. The floor was opened to Board & homeowner discussion. Irene D'Aloisio explained the new policy and associated changes. **Motion carried unanimously.**

NEW BUSINESS: NONE

FIRST READINGS: NONE

HOMEOWNER COMMENTS:

- Bernie Kowalski would like a Comment Card box added at the Fitness Activity Center. Steve Nolan noted a box has been ordered and will be installed once it arrives. Mr. Kowalski noted he has seen people at the PV Golf patio with open bottles of alcohol, it looks terrible, and they should be required to purchase it from the bar. Steve noted the PV Golf patio is outside our purchased liquor area and homeowners can bring their own liquor to that area.
- Wanda Johnson asked if the trees at the kiddie pool have been looked at lately as some dropped limbs during the last storm. She also asked if a tree fell on her house during a storm would she be responsible. Scott Anderson noted they have been looked at and any issues will be addressed. Mr. Nolan noted that if a tree falls over during a storm it is an "Act of God" and the homeowner is responsible.
- CWPV Homeowner noted trees are disappearing due to cormorants. Mr. Nolan noted 53 trees were removed due to cormorants. They are currently a protected bird that do cause a problem to our lakes, fish and landscaping. Scott Anderson noted without the trees the grass will be healthier and homeowners won't have to deal with the cormorants.
- John Terranova thanked everyone for supporting the Bocce League.

The meeting adjourned at 3:59 PM

Respectfully submitted,


Don Hicks
Board Secretary