

**COTTONWOOD PALO VERDE AT SUN LAKES
BOARD OF DIRECTORS
MEETING MINUTES
March 30, 2022**

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

DIRECTORS NOT PRESENT: None

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 San Tan Ballroom. He stated the meeting was being recorded for the accuracy of the minutes.

PLEDGE OF ALLEGIANCE:

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

INTRODUCTION OF MANAGERS:

President Beagle introduced the Managers present at the meeting.

APPROVAL OF THE FEBRUARY 23, 2022 BOARD MEETING MINUTES:

President Beagle called for the approval of the February 23, 2022 Board Meeting Minutes. ***Frank Gould made a motion, seconded by Len Horst, to approve the February 23, 2022 Board Meeting Minutes.*** The floor was opened to Board & homeowner comments. There was no discussion. ***Motion carried unanimously.***

PRESIDENT'S MESSAGE:

President Beagle gave his President's Message at the Annual Meeting, following the Board Meeting.

EMPLOYEE OF THE MONTH:

We'd like to recognize Patrol Officer Mike Wortley as our March 2022 Employee of the Month. Employee of the Month is based on performance, quality, attendance, and many other determining factors. Mike has these attributes, especially teamwork and decision making. He works hard to secure the assets of the Association and safeguards its residents, guests, and facilities as reasonably as possible. Mike has responded professionally to incidents involving disturbances at our facilities, he responds to and investigates welfare checks, and provides assistance to our restaurant staff to quell disturbances. Mike is passionate about serving our Sun Lakes 2 community. We receive good comments from happy residents and co-workers. Mike's good work is commendable and we're proud to have him!

TREASURER'S REPORT:

Director, Frank Gould presented the February 28, 2022, Financial Summary. Mr. Gould noted invoices are beginning to include surcharges related to increased gas prices. 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 February 28, 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
February 28, 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	\$ 459,044	\$ 942,943	\$ 939,332	\$ 3,611	\$ 906,061
Expenses	462,944	867,517	878,638	11,121	701,454
Net	\$ (3,900)	\$ 75,426	\$ 60,694	\$ 14,732	\$ 204,607
Food & Beverage					
Revenues	\$ 469,172	\$ 878,401	\$ 776,330	\$ 102,071	\$ 506,435
Expenses	440,126	852,363	761,570	(90,793)	493,829
Net	\$ 29,046	\$ 26,038	\$ 14,760	\$ 11,278	\$ 12,606
Golf					
Revenues	\$ 299,482	\$ 575,959	\$ 509,498	\$ 66,461	\$ 531,617
Expenses	212,592	440,052	454,149	14,097	442,986
Net	\$ 86,890	\$ 135,907	\$ 55,349	\$ 80,558	\$ 88,631
Association Net	\$ 112,036	\$ 237,371	\$ 130,803	\$ 106,568	\$ 305,844
Palo Verde Gate (2)					
Revenues	\$ 19,918	\$ 39,861	\$ 38,676	\$ 1,185	\$ 3,355
Expenses	20,551	40,936	38,678	(2,258)	1,392
Net	\$ (633)	\$ (1,075)	\$ (2)	\$ (1,073)	\$ 1,963

- (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
February 28, 2022

	Capital Reserve Fund (1)	Capital Improvement Fund (2)	Palo Verde Gate Fund (3)	Voluntary Contribution Fund
Fund Balance January 1, 2021	\$ 5,900,402	\$ 1,364,773	\$ 3,482	\$ 343,144
Additions from Dues, Fees, etc	75,884		-	
Contribution for PV Restroom Remodel				
Closeout of Special Assessment Account				
Interest Earned	2,000	200		
Expenditures for:				
Golf Courses & Equipment	(4,350)			
HOA-Several Items	(241,464)	(2,861)	-	-
Fund Balance December 31, 2021	\$ 5,732,472	\$ 1,362,112	\$ 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 22, 47 YTD is resulting in revenue of \$72,164.00. ytd.

COMMITTEE AND TASK FORCE REPORTS:

Architectural Compliance Committee: The report was given of their meetings held on March 8 and 22. Among the subjects discussed at the meetings were: 147 permits approved, 0 permit denied, 0 permits past due. Their next meetings are April 12 and 26 at 8:30 AM in the Saguaro Room. They have one (1) recommendation for the Board: to approve changes to ACC Guideline Page 28, #35; Window and Window Coverings.

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 March 3. Among the subjects discussed at the meeting were: monthly reports were given, restaurant inventory process, investment practices. Their next meeting is April 7 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.

Communications Committee: The report was given of their meeting held on March 7. Among the subjects discussed at the meeting were: monthly reports were given, communication improvement project kickoff. Their next meeting is April 4 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 March 2. Among the subjects discussed at the meeting were: monthly reports were given. Their next meeting is April 6 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 March 1. Among the subjects discussed at the meeting were: monthly reports were given, Long Range Planning, Capital Projects. Their next meeting is April 5 at 10:00 AM in the Paint 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.

Food & Beverage Committee: The report was given of their meeting held on March 3. Among the subjects discussed at the meeting were: monthly reports were given. Their next meeting is currently scheduled for April 7 at 9:00 AM in the Palo Verde Lounge.

They have no recommendations for the Board.

They have one (1) recommendation for Management: to install handheld POS devices at the restaurants.

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 March 2. Among the subjects discussed at the meeting were: monthly reports were given, subcommittee projects. Their next meeting is currently scheduled for April 6 at 2:00 PM 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.

Recreation / Entertainment Committee: The report was given of their meeting held on March 1. Among the subjects discussed at the meeting were: monthly reports were given. Their next meeting is currently scheduled for April 5 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 March 2. Among the subjects discussed at the meeting were: monthly reports were given, Safety Day. Their next meeting is April 6 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 under budget. The Fire Department's final inspection is scheduled for March 31, Maricopa County final inspection is scheduled for April 1, A few punch list items remain, the Audio/Visual contractor has a few days of work left, Owner inspection is schedule for the week of April 11. There is an Open House tentatively scheduled for Saturday, April 23 from 11am-1pm.

MANAGEMENT REPORT:

Steve Nolan gave his management report at the Annual Meeting, following the Board Meeting.

DIRECTORS COMMENTS:

Directors Comments were given at the Annual Meeting, following the Board Meeting.

CAPITAL RESERVE REPLACEMENT FUND:

President Beagle introduced Capital Reserve Replacement request #12, Item A.
Don Hicks made a motion, seconded by Len Horst, to approve drilling drainage holes, removing and replacing sand and tilling the bunkers of Cottonwood Hole #11 (right and left side of green) and Hole #17 (front left) for a cost of \$8,440. All work is to be done in-house. (Asset #1101/YTBR: 2020). 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 Frank Gould, to approve replacing the Cottonwood Irrigation Pump Station at Hole #13/#14 for a cost of \$95,632 from Watertronics for the Irrigation System and \$40,090 from Independent Pump and Service for the installation of the new Irrigation Station, plus a 10% contingency for a total project cost of \$149,294. (Asset #1118/YTBR: 2027). The floor was opened to Board & homeowner discussion. Homeowner Larry Chidester asked if the new station is subject to water damage similar to the previous instance. Scott Anderson responded there is a possibility, but we are trying to mitigate any future issues with sump pumps and alarms to notify staff if issues arise. Homeowner Sherry Dillard asked how many bids were received. Scott responded that multiple bids were received, and the HOA chose the company(s) which installed the previous stations for consistence. ***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.
Frank Gould made a motion, seconded by Gay Zawatski, to approve changes to ACC Guideline Page 13, #14; Garage, Carports, and Golf Cart Enclosures, Item C. The floor was opened to Board & homeowner discussion. There was no discussion. ***Motion carried unanimously.***

NEW BUSINESS:

President Beagle introduced New Business #17, Item A.

Gay Zawatski made a motion, seconded by Frank Gould, to approve changes to Board Policy 8-03; Facility Use Policy Phase 1, 3, and Robson Reserve. 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 for 30-day review by the Board and Homeowners:

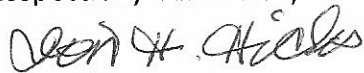
- A. Approve addition of Board Policy 3-11; New Friends/ Ambassador Program Guidelines. The floor was opened to Board & homeowner discussion. There was no discussion.
- B. Approve changes to Board Policy 8-02; Banquet Facility Use Guidelines. The floor was opened to Board & homeowner discussion. There was no discussion.
- C. Approve changes to Board Policy 10-03; Communications Committee Charter. The floor was opened to Board & homeowner discussion. There was no discussion.
- D. Approve changes to ACC Guideline Page 28, #35; Window and Window Coverings. The floor was opened to Board & homeowner discussion. There was no discussion.

HOMEOWNER COMMENTS:

- None

The meeting adjourned at 3:42 PM

Respectfully submitted,


Don Hicks
Board Secretary