

**COTTONWOOD PALO VERDE AT SUN LAKES
ANNUAL MEETING OF THE MEMBERS
MINUTES
March 31, 2021**

Directors Present: Roger Beagle, Gay Zawatski, Frank Gould, Hank Unck, Don Hicks, Bud Jenssen, and Irene D'Aloisio

New Member: Len Horst

Directors Not Present: N/A

Also Present: General Manager, Steve Nolan

The meeting was called to order at 4:00pm by Board President, Roger Beagle. Mr. Beagle introduced General Manager, Steve Nolan.

General Manager's Report on the Association

Steve Nolan noted it was a difficult 2020 for everyone. Many employees that were laid off in 2020 due to COVID-19 have been brought back. He presented a slide presentation of the Association's updated Organizational Chart and the 2020 major project accomplishments and approvals: rehab of all parking lots completed, Cottonwood Bar & Grill Remodel approved and completed, approval of the Reserve Study, approval of the Palo Verde Tennis court surface replacement, COVID-19 restrictions were put in place, Fitness Center, Bars and Restaurants were closed, curbside pick-up at the Palo Verde Restaurant was started, a new Patrol vehicle was purchased, Palo Verde Restroom Remodel approved and completed, San Tan Ballroom wood floor resurfaced, the old fitness center Architectural contract for design and construction documents approved, Cottonwood and Palo Verde Golf Course irrigation expenses were approved, three new Pickleball courts were approved.

Mr. Nolan announced that Natasha Martinez-Wilson (Housekeeping) and Adan Ruelas (Common Area) were named 2020 Employees of the Year. Adan also received his US Citizenship in 2020.

2020 Audited Financials & Financial Results

Frank Gould presented a slide presentation of the 2020 Financials: reviewed the causes and effects of COVID-19 on HOA financials, the Overall Financial Summary, the Special Funds and the Department Actual. He noted there were no adjustments to the Financial Records for a 9th year.

Mr. Gould stated that the detailed reports could be viewed and questions answered after this meeting or by contacting Brian Shaw.

Mr. Gould asked if there were any questions from the Board or audience. There were no questions.

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.

Board Motions

Bud Jenssen made a motion, seconded by Hank Unck, to accept the independent audit performed by Ginsburg & Dwaileebe of the Association's 2020 financial records as per the official audit report, and reflecting no needed adjustments to the Association's December 31, 2020 financial report.

The floor was opened to Board & homeowner comments. There were no comments. **Motion carried unanimously.**

Don Hicks made a motion, seconded by Bud Jenssen, to approve the transfer of \$360 from the PV Gate Fund to the HOA Operating Account to cover the 2020 PV Gate Fund shortfall.

The floor was opened to Board & homeowner comments. Homeowner asked why the HOA is transferring funds. Mr. Gould explained the money is owed from the PV Gate Fund to the Operating Fund. **Motion carried unanimously.**

President's Message

Roger Beagle noted he was elected to the Board 5 years ago and thanked homeowners for the opportunity to serve the community. Being on the Board has its benefits, seeing the opportunities and improvements benefiting homeowners. COVID-19 brought limitations, management's quick actions maintained the Association's stability, the health and safety was/is management and the Board's top priority, COVID-19 change was quick and now we are looking forward, the community is in good financial condition. The 2021 project list was adopted today. Management has done an excellent job maintaining our amenities. Board and Management did an excellent job over the past year. Mr. Beagle thanked the Board, the General Manager, his management team and employees. We lost a Board Member over the past year, Woody Neiman, who is greatly missed. Hank Unck was thanked for his service on the Board. Welcome Irene D'Aloisio and Len Horst as new Board Members. I encourage Homeowners to join a Committee and be part of their community.

Plans for 2021

President, Roger Beagle reviewed the 2021 Capital Improvement Project List that has been adopted and noted the Board Workshop is scheduled for Friday, April 16 at 2:30pm in the Saguaro Room.

2020/2021 Directors Comments

Bud Jenssen: thanked Cathey Bernard (EOM), Marshall for bringing back wine dinners, Steve for bringing back concerts, Hank for serving, welcome Len & Irene

Hank Unck: thanked Cathey for service, it's been a gratifying experience to serve on the Board, positive influence of managers and employees, homeowners should value management and administration team, thanked Patti Johnston, HOA Administrative Services Manager, for keeping the Board and committees in line, thanked Committees

Gay Zawatski: 2020 was a different year, lost a lot of people over the past year, learned patience and new ways of doing things, we are all doing better, the community, staff and management are strong, value homeowner support getting through 2020, we will miss Hank, welcome Irene and Len

Frank Gould: thanked Cathey, great working with Hank, welcome Irene and Len, nice having homeowners at the meetings, concerts good for the community

Don Hicks: thanked Cathey, thanked management team and how much they have done over year, thanked homeowners for support, we are head and shoulders above other communities appearance, amenities and low HOA dues, congratulated new Board Members, Hank did a great job, excited for 2021

Irene D'Aloisio: impressed with Board, management and staff, community in great shape, excited for new year, thanked Board for previous 8 months and homeowners who voted for her

Len Horst: thanked homeowners for giving him the opportunity to serve, the Board's support and committees he has served on

Presentation to Outgoing Board Members

Steve Nolan thanked outgoing Board Director, Hank Unck for his contribution, hard work and service on the Board. He then presented him with a gift commemorating his service.

Introduction of New Board Members

Steve Nolan introduced and welcomed new Board members, Irene D'Aloisio and Len Horst. He thanked them for serving.

Introduction of Board Officers

At this time, the new Board positions were announced: President- Roger Beagle; Vice President- Gay Zawatski; Secretary- Bud Jenssen; Treasurer- Frank Gould; Director- Don Hicks, Director- Irene D'Aloisio, and Director- Len Horst.

Homeowner Comments:

- Larry Chidester is glad to attend Board Meetings again
- Jim Bradkey (?) was upset the HOA removed the mask mandate, that it was not publicized to the community and wanted to know who made the decision. President Beagle noted it was management's decision backed by the Board and based on the Governor lifting the mask mandate. The Flyer was printed prior to Governor Ducey's change.
- Ed Schauble thanked management for everything they did during 2020 and noted how difficult it must have been. We have a well run HOA and Committees.
- Ann Thomas was impressed with how well the HOA survived 2020.

The meeting adjourned at 4:55 PM

Respectfully submitted,



Bud Jenssen
Board Secretary