

**COTTONWOOD PALO VERDE AT SUN LAKES
BOARD OF DIRECTORS MEETING
MINUTES
November 28, 2012**

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 introduced and gave a military biography of retired Navy and Marine Corps Veteran, Gene Hafeman, who led the Pledge of Allegiance. Mr. Hafeman was thanked for his service to our Country.

Bob Spruiell made a motion, seconded by Woody Neiman, to approve the October 30, 2012, Board Meeting Minutes. Motion carried unanimously.

Bud Jenssen made a motion, seconded by Bob Spruiell, to approve the October 30, 2012 Annual Budget Meeting Minutes. Motion carried unanimously.

PRESIDENT'S MESSAGE:

Kathy Skrei explained that there was a rumor circulating that, since the site location vote for the Administration Building was chosen at the vacant lot, homeowners would have an additional assessment. She explained that this was not true.

TREASURER'S REPORT:

Woody Neiman presented the October 31, pre-audited financial report.

Don Hicks made a motion, seconded by Bud Jenssen, to approve the October 31, pre-audited financial report. Motion carried unanimously.

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

	Year to Date Actual	Year to Date Budget	Year to Date Variance
Homeowner Services (1)			
Revenues	\$ 2,939,582	\$ 2,952,040	\$ (12,458)
Expenses	(2,594,689)	(2,750,197)	155,508
Net	\$ 344,893	\$ 201,843	\$ 143,050
Food & Beverage			
Revenues	\$ 1,716,541	\$ 1,650,107	\$ 66,434
Expenses	(1,919,192)	(1,919,184)	(8)
Net	\$ (202,651)	\$ (269,077)	\$ 66,426
Golf			
Revenues	\$ 1,960,306	\$ 1,921,739	\$ 38,567
Expenses	(1,875,151)	(1,927,671)	52,520
Net	\$ 85,155	\$ (5,932)	\$ 91,087
Palo Verde Gate Net Income/(Loss) (2)			
	\$ 1,941	\$ (994)	\$ 2,935
Association Net			
	\$ 229,338	\$ (74,160)	\$ 303,498

Notes:

(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
October 31, 2012

	Capital Reserve Fund (1)	Capital Improvement Fund (2)	Palo Verde Gate Fund (3)	Special Assessment Fund	Voluntary Contribution Fund
Fund Balance January 1, 2012	\$ 4,779,595	\$ 746,013	\$ 61,309	\$ 24,469	\$ 4,455
Revenues	783,965	977,309	10	1,779	24,020
Expenses	(1,401,182)	(940,413)		(11,232)	(21,752)
Fund Balance October 31, 2012	\$ 4,162,378	\$ 782,909	\$ 61,319	\$ 15,016	\$ 6,723

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 16, 220 YTD , resulting in revenue of \$259,600.00 YTD.

At this time there was a statement made regarding a discrepancy to Woody Neiman's report of the dollar amount per homeowner cost per month per lot. Mr. Neiman assured the homeowner that his dollar amount was accurate.

COMMITTEE REPORTS:

Architectural Compliance Committee: The report was given of their meeting held November 1. Next meeting is December 6, 8:30 a.m., in the Phoenix Room. They have no recommendations for the Board or Management.

Audit & Finance Committee: The report was given of their meeting held November 13. Their next meeting is December 11, 1:00 p.m., in the Saguaro Room. They have no recommendations for the Board or Management. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

Communications Committee: The report was given of their meeting held November 7. Next meeting is December 5, 7:00 a.m., in the Ceramics Room. They have no recommendations for the Board or Management. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

Election Committee: The report was given of their meeting held November 7. Next meeting is December 5, 1:30 p.m., in the Ceramics Room. They have three recommendations on today's agenda. Minutes of this committee's meetings are available for viewing at Homeowner Services.

Facilities & Grounds Committee: The report was given of their meeting held November 6. Next Meeting is December 4, 10:00 a.m., in the Phoenix Room. They have one recommendation for the Board on today's agenda. 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 November 1. Next meeting is December 6, 9:00 a.m., in the Saguaro Room. They have no recommendations for the Board or Management. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

Golf Committee: The report was given of their meeting held November 1. Next meeting is December 6, 3:00 p.m., in the Ceramics Room. They have no recommendations for the Board or Management. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

Recreation Committee: The report was given of their meeting held November 5. Next meeting is December 3, 1:30 p.m., in the Phoenix Room. They have no recommendations for the Board or Management. 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 November 7. Next meeting is December 5, 10:00 a.m., in the Saguaro Room. They have no recommendations for the Board or Management. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

PROJECT REPORTS:

Palo Verde Pool Restroom: It was reported that we are awaiting approval from the County of the minor amendment to the SUP so the permit can be issued and the contractor can start.

Rezoning: It was reported that it is completed and we are awaiting the signed document from the County.

Pickleball/Tennis Report: It was reported that the Pickleball courts have been painted green and will be in operation next Tuesday. The grand opening will follow later. Regarding tennis court, it was reported that there is a hold up in the permit process due to an old permit from the lap pool which is hoped to be resolved by the County in the next week or two.

Administration Building Task Force: It was reported that the Admin. Building Task Force met on Tuesday, November 27. They chose Don Hicks for the Chair of the task force and discussed the goals. The task force will have one recommendation to the Board on today's agenda under New Business.

MANAGEMENT REPORT: General Manager, Steve Nolan gave the management report. He also thanked Gene Hafeman for his military service.

DIRECTORS COMMENTS:

Bud Jenssen: Thanked Gene Hafeman for his military service.

Don Hicks: Thanked Gene Hafeman for his military service and thanked Mrs. Hafeman for coming. He thanked Jim Miller and Mike Reinhart for their work on the Children's Pool and grass around it.

Mel Rasmussen: Thanked Gene Hafeman for his military service. He remarked about how wonderful the golf courses look. He also thanked Jim Miller for work on the Children's Pool.

Woody Neiman: Reaffirmed all the prior Director comments.

Bob Spruiell: Reaffirmed all the prior Director comments. He commented that the HOA employees are doing an excellent job and wished them a happy season ahead.

George Thomas: Thanked Gene Hafeman for his military service. He commented favorably on the Children's Pool and encouraged homeowners to take a look at it. He commented favorably on the look of the common areas. He announced that Sun Lakes Women's Association is looking for a replacement for Sharon Horton to gather items for their fundraising events. Sharon asked him to mention that if anyone knows of a person to contact SLWA.

CAPITAL RESERVE REPLACEMENT FUND REQUESTS:

Bud Jenssen made a motion, seconded by Mel Rasmussen, to approve replacement of 10 chafers (Roll top, Food Pan, Water Pan, Fuel Holder) for Cottonwood Food & Beverage. Low bid is from Shamrock Foods for \$5,945.42. Motion carried unanimously.

Bud Jenssen made a motion, seconded by Mel Rasmussen, to approve the purchase of 1,500 tons of 3/8" pink coral rock from The Source Sand & Gravel (low bid) for \$15,675.00. This rock is to be installed in desert areas on CW Golf Course to be completed in multiple phases. Motion carried unanimously.

Bob Spruiell made a motion, seconded by George Thomas, to approve the purchase of a Toro Workman HDX from Simpson Norton (low bid) for \$22,220.00. Motion carried unanimously.

George Thomas made a motion, seconded by Woody Neiman, to approve the purchase of (2) Turf 2 Club Cars from Simpson Norton for \$19,371.07. There was discussion regarding the purchase of a Club Car over an EZ-Go Hauler. Motion carried with 4 approved, 1 against and 1 abstaining.

PV GATE RESERVE FUND: NONE

CAPITAL IMPROVEMENT FUND REQUESTS: NONE

OLD BUSINESS:

Woody Neiman made a motion, seconded by Don Hicks, to approve changes to BP 3-09 Employee Meal Policy. Motion carried unanimously.

NEW BUSINESS:

Bud Jenssen made a motion, seconded by Bob Spruiell, to approve the time change of the March 27, 2013, monthly Board Meeting to 3:00 p.m. and Annual Board Meeting to 4:00 p.m.
Motion carried unanimously.

Woody Neiman made a motion, seconded by Don Hicks, to approve the intent to proceed with a sole source contract with Archi-CAD Architects for the design and engineering of the new Administration Building. There was discussion regarding single source and the bid process relative to Board Policy and the Bylaws. Motion carried with 5 approved, 1 against.

George Thomas made a motion, seconded by Don Hicks, to approve that Jerry House be allowed to be a "non-voting" consultant on the Elections Committee and that a new member be allowed to join EC as a First Year-New Term member. Motion carried unanimously.

Bud Jenssen made a motion, seconded by Bob Spruiell, to approve the acceptance of the resignation of Martha Lubeach and a new member to assume her seat as a First Year-New Term member.
Motion carried unanimously.

George Thomas made a motion, seconded by Woody Neiman, to approve the appointments of Sue Schwartz and Cindy Haubold to serve as new First Term members on the EC.
Motion carried unanimously.

Don Hicks made a motion, seconded by Woody Neiman, to approve the appointment of Sue Schwartz to the Facilities & Grounds Committee. Motion carried unanimously.

FIRST READINGS: NONE

HOMEOWNER COMMENTS:

The following subjects were commented on and discussed:

- Larry Chidester asked to go on record his objection to the new location of the Palo Verde Pool restroom.
- Apology to the Board Treasurer regarding the cost per lot mentioned earlier as the account of this amount by the Treasurer was correct.
- Question regarding a utilization plot plan developed for the Administration Building.
- Congratulations given to Don Hicks being named as Administration Building Task Force Chair and a request for the names of the other members of the task force.
- Ambassador Program and Communications Committee were complimented for their new homeowner tours.

The meeting adjourned at 3:55 p.m.

Respectfully submitted,

Bud Jenssen, Secretary