

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

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

DIRECTORS NOT PRESENT: Frank Gould

ALSO PRESENT: General Manager, Steve Hardesty

INVITED GUESTS: None

CALL TO ORDER:

President Leonard Horst called the meeting to order at 3:00 PM in the CLC Lecture Hall. 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 OCTOBER 26, 2022 BOARD MEETING MINUTES:

President Horst called for the approval of the October 26, 2022 Board Meeting Minutes. ***Don Hicks made a motion, seconded by Gay Zawatski, to approve the October 26, 2022 Board Meeting Minutes.*** The floor was opened to Board & homeowner comments. There was no discussion. ***Motion carried unanimously.***

APPROVAL OF THE OCTOBER 26, 2022 ANNUAL BUDGET MEETING MINUTES:

President Horst called for the approval of the October 26, 2022 Annual Budget Meeting Minutes. ***Glenn Martinsen made a motion, seconded by Bud Jenssen, to approve the October 26, 2022 Annual Budget Meeting Minutes.*** The floor was opened to Board & homeowner comments. There was no discussion. ***Motion carried unanimously.***

PRESIDENT'S MESSAGE:

President Horst noted we are at the end of November, homeowners are returning, we've celebrated Thanksgiving and now we are in the Christmas season. It's a wonderful time to remember those in our community that are less fortunate and help those in need. Jean Jones, Recreation Director, has a program called "The 12 Days of Christmas" to help those in need if anyone would like to participate or donate. As you go through the season, take time to reflect on your blessings, your family, and our community. Merry Christmas.

EMPLOYEE OF THE MONTH:

Victor Martinez is our November Employee of the Month. Victor works at the Palo Verde Golf Course. He has done nothing but excel in his position. He has a positive attitude that stands out. Victor tackles his job responsibilities with enthusiasm, becoming more engaged and most importantly, listening to complete instructions and asking questions when unclear. Victor is cooperative and willing to assist the team with any task assigned. He is a positive team member at the Palo Verde Golf Maintenance.

Victor has been given job tasks that demand higher attention such as changing hole locations at the Palo Verde Golf Course. This is a job that impacts all golfers, every day. Victor has demonstrated his pride in the conditions and results of his work. It has resulted in his supervisor having confidence in Victor and

knowing this high-impact area is covered without concern. Victor tackles job duties outside his own responsibilities without being asked. It is because of his positive attitude that Victor is being recognized. Thank you, Victor. Congratulations on a job well done.

TREASURER'S REPORT:

General Manager, Steve Hardesty presented the October 31, 2022, Financial Summary. A detailed report will be available for viewing at Homeowner Services, by appointment. **The October 31, 2022 pre-audited Financial Report was accepted as presented.** Mr. Hardesty noted the impact of inflation continues to affect the budget, but we continue to do well. The floor was opened to Board & homeowner comments. There was no discussion.

**Sun Lakes Homeowners Association #2
Financial Summary
October 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	\$ 459,759	\$ 4,730,170	\$ 4,656,660	\$ 73,510	\$ 4,478,031
Expenses	499,177	4,355,996	4,306,084	(49,912)	3,754,138
Net	\$ (39,418)	\$ 374,174	\$ 350,576	\$ 23,598	\$ 723,893
Food & Beverage					
Revenues	\$ 391,282	\$ 3,789,388	\$ 3,040,830	\$ 748,558	\$ 2,906,769
Expenses	418,501	3,942,517	3,326,491	(616,026)	3,095,608
Net	\$ (27,219)	\$ (153,129)	\$ (285,661)	\$ 132,532	\$ (188,839)
Golf					
Revenues	\$ 227,206	\$ 2,380,664	\$ 2,302,490	\$ 78,174	\$ 2,211,579
Expenses	446,324	2,628,953	2,536,165	(92,788)	2,446,403
Net	\$ (219,118)	\$ (248,289)	\$ (233,675)	\$ (14,614)	\$ (234,824)
Association Net					
	\$ (285,755)	\$ (27,244)	\$ (168,760)	\$ 141,516	\$ 300,230
Palo Verde Gate (2)					
Revenues	\$ 20,124	\$ 199,163	\$ 199,210	\$ (47)	\$ 189,822
Expenses	21,075	199,437	199,220	(217)	187,343
Net	\$ (951)	\$ (274)	\$ (10)	\$ (264)	\$ 2,479

- (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, 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	441,514		-	
Contribution for PV Restroom Remodel				
Closeout of Special Assessment Account				
Interest Earned	24,750	1,400		145
Expenditures for:				
Golf Courses & Equipment	(293,770)			
HOA-Several Items	(751,127)	(10,525)	-	-
Fund Balance October 31, 2022	\$ 5,321,769	\$ 1,355,648	\$ 3,482	\$ 343,289

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 15, 254 YTD is resulting in revenue of \$438,914 ytd.

COMMITTEE AND TASK FORCE REPORTS:

Architectural Compliance Committee: The report was given of their meetings held on November 8 and 22. Among the subjects discussed at the meetings were: reviewed Board Policies, 94 permits approved, 2 permits denied, 11 permits past due. Their next meetings are December 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 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 November 3. Among the subjects discussed at the meeting were: monthly reports were given, officers elected, reviewed budget. Their next meeting is December 1 at 1:00 PM in CLC Meeting Room #1.

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 November 7. Among the subjects discussed at the meeting were: monthly reports were given, recommendations for published comment cards, officers elected. Their next meeting is December 5 at 9:30 AM in CLC Meeting Rm #1.

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 November 2. Among the subjects discussed at the meeting were: monthly reports were given, officers elected, committee goals were finalized, 2023 Board election. Their next meeting is December 7 at 3:00 PM in CLC Meeting Room #1.

They have two (2) recommendations for the Board: 1) to approve the Committee's 2023 Goals & Objectives 2) to approve the 2023 Board Election Timing of Events.

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.

Facilities & Grounds Committee: The report was given of their meeting held on November 1. Among the subjects discussed at the meeting were: monthly reports were given, officers elected, reviewed new 5-Year Plan, project ranking. Their next meeting is December 6 at 10:00AM in the CLC Phoenix 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 November 3. Among the subjects discussed at the meeting were: monthly reports were given. Their next meeting is currently scheduled for December 1 at 9:00 AM in the Palo Verde Lounge.

They have one (1) recommendation for the Board: 1) to approve the amended revisions to the Facilities Dress Code.

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.

Golf Committee: The report was given of their meeting held on November 2. Among the subjects discussed at the meeting were: monthly reports were given, officers elected. Their next meeting is currently scheduled for December 7 at 2:00 PM in the CLC Phoenix Room.

They have one (1) recommendation for the Board: to approve the Committee's 2023 Goals & Objectives. 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.

Recreation/Entertainment Committee: The report was given of their meetings held on November 1 and 11. Among the subjects discussed at the meetings were: monthly reports were given, officers elected, discussed Cornhole proposal. Their next meeting is currently scheduled for December 6 at 9:00 AM in the CLC Meeting Room #1.

They have two (2) recommendations for the Board: 1) to approve amended changes to Board Policy 8-02A; Facility Use Regulations Other Amenities 2) to approve the amended addition of Board Policy 7-90; Cornhole Regulations.

They have five (5) recommendations for Management: 1) initiate a study for various locations for Pickleball play 2) study the actual usage of sports activity areas 3) plan for consistency in following policy 4) schedule AED training for homeowners 5) place signs at the tennis courts for Cornhole.

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: There was no Safety & Security Committee meeting in November.

PROJECT UPDATE: None

MANAGEMENT REPORT:

Mr. Hardesty noted the holiday season is in full swing; Thanksgiving Day PV served over 450 customers, Horse Carriage rides going on right now, Ugly Sweater contest on Thursday, Christmas Golf Cart Parade on Friday and many more! Check *The Flyer*, Homeowner Services and our website for more information. Overseeding is complete throughout the entire property. The 5 Lakes area was overseeded last and due to an early cold snap the grass isn't as established as some of the other areas. Scott's team is working on it daily. Monthly midge fly treatments in Unit 20 have begun: biological treatments for the sludge control, pesticide treatments for the midge larvae, fish habitat is being prepped, fish delivery is being coordinated. Scott will have a more detailed report at the Facility and Grounds Committee meeting in early December. Facility Maintenance is very busy: they continue installing security cameras throughout the property, work to the CW Restaurant south wall is completed and looks great.

DIRECTORS COMMENTS:

Gay Zawatski: congratulated Victor on being the Employee of the Month, noted monthly Coffee with the GM is very informative.

CAPITAL RESERVE REPLACEMENT FUND:

President Horst introduced Capital Reserve Replacement Fund request #13, Item A.

Don Hicks made a motion, seconded by Glenn Martinsen, to approve replacing one of the three current pool heaters at the main Cottonwood Pool with a Raypak C-R406 pool heater from Pool Warehouse for a cost of \$3,785 plus a 10% contingency of \$378.50 for a total cost of \$4,164 (Asset #1301/YTBR: 2028). The floor was opened to Board & homeowner discussion. There was no discussion. ***Motion carried unanimously.***

PV GATE RESERVE FUND: NONE

CAPITAL IMPROVEMENT FUND: NONE

VOLUNTARY CONTRIBUTION FUND: NONE

OLD BUSINESS: NONE

NEW BUSINESS:

President Horst introduced New Business #18, Item A.

Gay Zawatski made a motion, seconded by Irene D'Aloisio, to approve the 2023 Annual Board Election "Timing of Events". The floor was opened to Board & homeowner discussion. There was no discussion. ***Motion carried unanimously.***

President Horst introduced New Business #18, Item B.

Bud Jossen made a motion, seconded by Glenn Martinsen, to approve the Election Committee and Golf Committee's Goals and Objectives for 2023. The floor was opened to Board & homeowner discussion. There was no discussion. ***Motion carried unanimously.***

President Horst introduced New Business #18, Item C.

Glenn Martinsen made a motion, seconded by Don Hicks, to approve the Dissolution of the Safety & Security Committee. The floor was opened to Board & homeowner discussion. President Horst read Board Policies and Committee Charters related to Board responsibilities. Susan Roth asked if this was part of Patrol. President Horst noted this is a Committee and not Patrol. **Motion carried unanimously.**

President Horst introduced New Business #18, Item D.

Gay Zawatski made a motion, seconded by Don Hicks, to approve the Reinstatement of the Safety & Security Committee. The floor was opened to Board & homeowner discussion. President Horst noted applications will be accepted until Saturday, Dec. 31, 2022, interviews will occur no later than January 11, 2023 and the reinstatement of the Safety & Security Committee will commence February, 2023. Mike Anecito asked what is being done until Committee is reinstated. Len noted the Board will be covering any duties. MaryAnn Sinerius asked who the Board Liaison is and what does the Committee do. Len responded Gay Zawatski is the Liaison. Steve noted Patrol handles the daily staff operations and the committee is volunteer homeowners that give recommendations to the Board and management. Gary Alexander asked if the guidelines and Charter will be removed and start new. Len responded the guidelines and Charter will remain. The new committee will review and make changes as necessary. **Motion carried unanimously.**

President Horst introduced New Business #18, Item E.

There was no motion or vote on this item as it involved information regarding Electronic Attendance to Board & Committee Meetings and Qualifications to Serve on a Committee or Board. The floor was opened to Board & homeowner discussion. President Horst read, and reviewed information contained in CWPV Board Policies and Bylaws and noted these items are in line with State of Arizona Law and approved by our Attorney. President Horst explained that Board Members will be allowed a maximum of 3 meetings via electronic face to face communication per year and Committees will not have a restriction regarding the number of allowed electronic communications. Qualifications were read from Board Policy 10-01. Homeowner, Marty Nielson requested that the HOA provide the same training and software to all Committees. Mr. Horst responded that this is in process. Kevin Sullivan asked if homeowners were allowed to join meetings via Zoom. Mr. Horst noted it is being looked into but has not been setup at this time.

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. Changes to Board Policy 6-08; Storage of Landscaping and Construction Materials in the Streets.
- B. Changes to Board Policy 8-02A; Facility Use Regulations Other Amenities - Updated.
 - Don Hicks thanked the subcommittee for reaching a compromise.
- C. Addition of Board Policy 7-90; Cornhole Play Regulations - Updated.
 - President Horst noted this is a temporary solution through May 2023 and a long-term solution is being worked on.
- D. Changes to Board Policy 8-06; Facilities Dress Code - Updated.
 - Several Homeowners expressed concern over the proposed Dress Code and asked why changes are being considered and asked for a compromise. President Horst and Gay Zawatski noted the Dress Code going into First Readings has been updated/revised from the October proposal. The updated version will be on the website in First Readings tomorrow, submit comments to Patti Johnston as soon as possible for consideration. Josh Blackburn expressed that homeowners have differing opinions and that is why the original proposal has been modified and it is back in First Readings.

HOMEOWNER COMMENTS:

- Bernie Kowalski thanked Jim Miller for the updated sound system.
- Bud Murray discussed HOA assessments and fees.

- Charlotte Nickel thanked Steve Hardesty for "Coffee with the General Manager" and noted it was very informative.
- Marina Fleetwood asked about the cormorants at the 5 Lakes and if adding fish to the lakes will bring back the cormorants. She also asked why the North Lake was overseeded before the other 4 Lakes. President Horst noted that trimming trees seemed to remove the cormorant issue and we will do our best to deal with midge flies. Scott Anderson explained events were planned for the 5 Lakes, water pressure demand was also a consideration. Overseeding dates were no different than previous years; however, November was colder than normal which affected grass growth.

The meeting adjourned at 4:27 PM

Respectfully submitted,



Don Hicks
Board Secretary