

**COTTONWOOD PALO VERDE AT SUN LAKES  
BOARD OF DIRECTORS MEETING  
MINUTES  
September 26, 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 U.S. Navy Commander, John L. Smith, who led the Pledge of Allegiance. Mr. Smith was thanked for his service to our country.

Woody Neiman made a motion, seconded by Bob Spruiell, to approve the August 29, 2012, Board Meeting Minutes. Motion carried unanimously.

**PRESIDENT'S MESSAGE:**

Kathy Skrei reminded committee chairs and committee members to RSVP by Tuesday, October 2 for the Committee Appreciation Event scheduled for Tuesday, October 16, from 4-6p.m. in the San Tan Ballroom. She announced that on today's agenda the Board will vote on the contractor for the conversion of tennis court #2 into four pickleball courts.

At this time she asked Sun Lakes Women's Association officers Carol Elliot, secretary, and Karen Bailey, vice-president, to come forward. Woody Neiman and Steve Nolan accepted a check for \$5,000.00, which will be used toward the purchase of a new ice machine for CW and PV golf courses. They thanked SLWA for the donation. Kathy Skrei also thanked SLWA and led the audience in giving them a round of applause.

**TREASURER'S REPORT:**

Woody Neiman presented the August 31, 2012, pre-audited financial report.

George Thomas made a motion, seconded by Bud Jenssen, to approve the August 31, 2012, pre-audited financial report. Motion carried unanimously.

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

	Year to Date Actual	Year to Date Budget	Year to Date Variance
<b>Homeowner Services (1)</b>			
Revenues	\$ 2,364,778	\$ 2,354,394	\$ 10,384
Expenses	(2,054,191)	(2,196,178)	141,987
Net	\$ 310,587	\$ 158,216	\$ 152,371
<b>Food &amp; Beverage</b>			
Revenues	\$ 1,441,818	\$ 1,393,317	\$ 48,501
Expenses	(1,570,922)	(1,576,434)	5,512
Net	\$ (129,104)	\$ (183,117)	\$ 54,013
<b>Golf</b>			
Revenues	\$ 1,611,179	\$ 1,608,408	\$ 2,771
Expenses	(1,461,138)	(1,499,174)	38,036
Net	\$ 150,041	\$ 109,234	\$ 40,807
<b>Palo Verde Gate Net Income/(Loss) (2)</b>	\$ (2,220)	\$ (614)	\$ (1,606)
<b>Association Net</b>	\$ 329,304	\$ 83,719	\$ 245,585

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  
August 31, 2012**

	Capital Reserve Fund (1)	Capital Improvement Fund (2)	Palo Verde Gate Fund (3)	Special Assessment Fund	Voluntary Contribution Fund
<b>Fund Balance January 1, 2012</b>	\$ 4,779,595	\$ 746,013	\$ 61,309	\$ 24,469	\$ 4,455
<b>Revenues</b>	739,511	977,275	9	1,778	19,020
<b>Expenses</b>	(1,330,391)	(928,017)		(11,232)	(19,033)
<b>Fund Balance August 31, 2012</b>	\$ 4,188,715	\$ 795,271	\$ 61,318	\$ 15,015	\$ 4,442

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 20, 191 YTD , resulting in revenue of \$225,380.00 YTD.

## **COMMITTEE REPORTS:**

**Architectural Compliance Committee:** The report was given of their meeting held September 6. Next meeting is October 4, 8:30 a.m., in the Phoenix Room. They will be interviewing and appointing their committee members for approval of the Board in October. There were no recommendations for the Board at this time.

**Audit & Finance Committee:** The report was given of their meeting held September 11. It was stated that they also provided the Board with a report on goals to analyze the cash operations in our golf shops. Their next meeting is October 9, 1:00 p.m., in the Saguaro Room. They will be interviewing and appointing their committee members for approval of the Board in October. There were no recommendations for the Board at this time. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

At this time Kathy Skrei on behalf of the Board gave approval for the golf report to be shared with the golf pros.

**Communications Committee:** The report was given of their meeting held September 5. Next meeting is October 3 at 7:00 a.m., in the Ceramics Room. He reminded the membership of the Open House on October 13 in the San Tan Ballroom and to see Linda Caton if you want a booth. They have 7 positions open on their committee and 8 applications. There were no recommendations for the Board at this time. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

**Election Committee:** The report was given of their meeting held September 6. Next meeting is October 2, 1:00 p.m., in the Phoenix Room. They have openings on their committee and have applicants. They have one recommendation for the Board to approve the Timing of Events for the homeowner vote to decide the location of the new Administration Building. 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 September 4. Next Meeting is October 2, 10:00 a.m., in the Phoenix Room. They have one recommendation for the Board to adopt the 5-Yr. Plan for 2013-2017. 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 September 6. Next meeting is October 4, 9:00 a.m., in the Saguaro Room. They have 4 openings on their committee and have received 7 applications. There were no recommendations for the Board at this time. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

**Golf Committee:** The report was given of their meeting held September 6. Next meeting is October 4, 1:00 p.m., in the Ceramics Room. They have 3 openings and a club membership opening on their committee and have received 5 applications. There were no recommendations for the Board at this time. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

**Recreation Committee:** The report was given of their meeting held September 4. Next meeting is October 1, 1:30 p.m., in the Phoenix Room. They are in need of an additional applicant for their committee. They will be interviewing the applicants in October. There were no recommendations for the Board at this time. 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 September 5. Next meeting is October 3, 10:00 a.m., in the Saguaro Room. They have 3 openings on their committee and 3 applications. There were no recommendations for the Board at this time. Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

## **PROJECT REPORTS:**

**Palo Verde Pool Restroom:** It was reported that the project is under review by Maricopa County, and all permit fees have been paid. We are awaiting approval so the contractor can start.

**Rezoning:** It was reported that all fees have been paid, paperwork submitted and we are awaiting final approval from the County.

**Pickleball/Tennis Report:** It was reported that the Pickleball project goes before the Board today.

The contractor can start in October and will take 6-8 weeks. Regarding tennis court, Ken Eller has submitted plans to the County and we are awaiting the building permit. It will then go out to bid.

**Cell Tower:** It was reported that the cell tower is almost done. AT&T has a check in the mail.

**MANAGEMENT REPORT:** General Manager, Steve Nolan gave the management report.

**DIRECTORS COMMENTS:**

George Thomas: Great start on the children's pool project. Asked for support for Compliance Officer, Bill Miller in his efforts toward compliance in our community.

Bob Spruiell: None

Woody Neiman: Nothing has been heard regarding Pima Utility proposed increase.

Mel Rasmussen: None

Don Hicks: None

Bud Jenssen: Thanked Sun Lakes Women's Association for their donation. He reminded everyone to support their upcoming Bazaar. He thanked John Smith for his military service to our country.

**CAPITAL RESERVE REPLACEMENT FUND REQUESTS:**

Don Hicks made a motion, seconded by Bob Spruiell, to approve the purchase of a Z-Turn 3000 series 48" mower at a cost of \$12,321.26 from Simpson Norton Company. Motion carried unanimously

George Thomas made a motion, seconded by Bob Spruiell, to approve the purchase of a 200 Gallon Skid Sprayer at a cost of \$6,148.13 from AD Williams. Motion carried unanimously.

Bud Jenssen made a motion, seconded by Woody Neiman, to approve the purchase of a Turf Vac Sweeper at a cost of \$11,140.25 from A to Z Equipment. Motion carried unanimously.

Bob Spruiell made a motion, seconded by Mel Rasmussen, to approve the purchase of 500 tons of fairway sand (to be completed in multiple phases) at a cost of \$7,344.00 from Pioneer Sand. There was discussion. Motion carried unanimously.

Woody Neiman made a motion, seconded by Don Hicks to approve replacement of Deco drains at Michigan Pool & Palo Verde Pool and repair of Deco drains at Cottonwood Pool at a cost of \$11,347.00 plus a 10% contingency for a total cost of \$12,481.70. Motion carried unanimously.

Bud Jenssen made a motion, seconded by George Thomas to approve installation of four new pickleball courts on existing CW tennis court #2, at a cost of \$63,155.12 plus a 10% contingency for a total cost of \$69,470.00. There was discussion. Motion carried unanimously.

**PV GATE RESERVE FUND: NONE**

**CAPITAL IMPROVEMENT FUND REQUESTS: NONE**

**OLD BUSINESS: NONE**

**NEW BUSINESS:**

Don Hicks made a motion, seconded by Woody Neiman, to adopt the 2013-2017 Five Year Plan as developed, revised and presented by the Facilities & Grounds Committee. Motion carried unanimously.

Bud Jenssen made a motion, seconded by George Thomas, to approve the Timing of Events for the New Administration Building Location Vote. Motion carried unanimously.

Mel Rasmussen made a motion, seconded by Don Hicks, to approve the 2012-2013 Golf Fees for CW and PV Golf Courses. Motion carried unanimously.

**FIRST READINGS:**

The following will be in First Readings for the month of October. At this time, Kathy Skrei asked Compliance Officer Bill Miller to explain the changes to the following Board Policy. There was then discussion.

A. Approve changes to BP 6-02 Violation of Covenants, Conditions, Restrictions, Rules and Regulations.

**HOMEOWNER COMMENTS:**

The following subjects were commented on and discussed:

Comment regarding the completed Lapidary Room and thanks to the Board for the remodel.

Comment regarding the 5-YR Plan priorities and process.

Comment regarding concern over the recent break-ins and the lack of communication to the community.

Comments were made regarding the good work that Dick Gothier and Steve Nolan do in alerting the community of crime incidents.

The meeting adjourned at 4:10 p.m.

Respectfully submitted,

Bud Jenssen, Secretary