

**COTTONWOOD PALO VERDE AT SUN LAKES
BOARD OF DIRECTORS
MEETING MINUTES
April 26, 2023**

DIRECTORS PRESENT: Leonard Horst, Marty Neilson, Tami Ronnfeldt, Bud Jenssen, Glenn Martinsen, Cheryl Ravenscroft

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:

Director, Glenn Martinsen led the audience in the Pledge of Allegiance.

INTRODUCTION OF MANAGERS:

President Leonard Horst introduced the managers present at the meeting.

APPROVAL OF THE MARCH 29, 2023 BOARD MEETING MINUTES:

President Horst called for the approval of the March 29, 2023 Board Meeting Minutes. ***Marty Neilson made a motion, seconded by Glenn Martinsen, to approve the March 29, 2023 Board Meeting Minutes.*** The floor was opened to Board & homeowner comments. There was no discussion. ***Motion carried unanimously.***

APPROVAL OF THE MARCH 29, 2023 ANNUAL BOARD MEETING MINUTES:

President Horst called for the approval of the March 29, 2023 Annual Board Meeting Minutes. ***Tami Ronnfeldt made a motion, seconded by Bud Jenssen, to approve the March 29, 2023 Annual Board Meeting Minutes.*** The floor was opened to Board & homeowner comments. There was no discussion. ***Motion carried unanimously.***

PRESIDENT'S MESSAGE:

President Horst welcomed Cheryl Ravenscroft to the Board of Directors. Cheryl is fulfilling the term of retired Board Member Irene D'Aloisio. Tami Ronnfeldt was elected as Secretary to the Board of Directors for 2023/2024. Committee liaison changes included Tami Ronnfeldt to the Communications Committee and Len Horst as the temporary liaison to the Architectural Compliance Committee. The Community Survey is ongoing and has been extended to Monday, May 8, 2023. Mr. Horst thanked Linda Grendahl and the Communications Committee for all their work. Marlene Knightley who worked on the golf beverage cart passed away a couple weeks ago, there will be a remembrance gathering tomorrow at 6pm at the Cottonwood Restaurant. Today is Administrative Professional's Day and I would like to thank all our Administrative Professionals for all they do. Enjoyed working with Irene D'Aloisio, she did a fantastic job.

EMPLOYEE OF THE MONTH:

Judy Purcell is our April Employee of the Month. Judy has only worked for the HOA since October of 2022 but has made an immediate impact on everyone she works with and the homeowners she comes in contact with. She has transitioned from Homeowner Services Attendant to Receptionist seamlessly and in the process has reorganized and improved numerous procedures at the front office. She has the ability to make everyone, homeowners and co-workers alike, feel at ease with her quick wit and knowledge. Judy is very detail-oriented and professional while being fun-loving. She has helped several other

departments with numerous projects while continuing to carry out her own job responsibilities. Judy has assisted staff in saving thousands of dollars through her research and hard work. She is a true team player and very deserving of the April Employee of the Month.

TREASURER'S REPORT:

General Manager Steve Hardesty presented the March 31, 2023, Financial Summary. Mr. Hardesty noted the treasurer's report had been prepared by Board Treasurer Frank Gould. Revenue: Recreation was below budget due to ticket sales being somewhat lower than budgeted, Food & Beverage was below budget due to special events not selling as expected. Expenses: Administrative expenses were higher than projected due to higher payroll and associated expenses as well as higher consulting costs, these will balance out by the end of the year. Net Income is higher than budget and overall results are good. The floor was opened to Board & homeowner comments. There was no discussion. A detailed report will be available for viewing at Homeowner Services, by appointment. **The March 31, 2023 pre-audited Financial Report was accepted as presented.**

SUN LAKES HOMEOWNERS ASSOCIATION #2
 INCOME AND EXPENSE SUMMARY
 MARCH 31, 2023
 (Unaudited)

	CURRENT MONTH ACTUAL	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE	PRIOR YEAR TO DATE ACTUAL
REVENUES					
HOA DUES	\$ 408,126	\$ 1,232,127	\$ 1,232,587	\$ (460)	\$ 1,242,577
RECREATION	38,552	100,522	143,200	(42,678)	64,518
FOOD & BEVERAGE	547,774	1,528,332	1,563,286	(34,954)	1,435,515
GOLF	354,563	975,471	970,114	5,357	888,368
MISCELLANEOUS (CARRY FORWARD FUND, TRANSFER FEES, INTEREST, ETC)	78,295	199,586	178,815	20,771	117,949
TOTAL REVENUES	\$ 1,427,310	\$ 4,036,038	\$ 4,088,002	\$ (51,964)	\$ 3,748,927
EXPENSES					
ADMINISTRATION	\$ 176,697	\$ 549,124	\$ 517,224	\$ (31,900)	\$ 488,631
RECREATION	38,366	97,119	100,304	3,185	76,750
PATROL	34,379	104,745	103,152	(1,593)	100,025
LANDSCAPING	80,875	246,473	280,825	34,352	251,741
CUSTODIAL	63,686	177,527	178,251	724	151,720
FACILITIES	64,161	173,139	171,660	(1,479)	133,873
POOLS	39,345	116,361	116,040	(321)	96,769
FOOD & BEVERAGE	477,742	1,375,636	1,382,759	7,123	1,337,152
GOLF PROSHOPS & MAINTENANCE	269,629	736,452	790,880	54,428	714,811
TOTAL EXPENSES	\$ 1,244,880	\$ 3,576,576	\$ 3,641,095	\$ 64,519	\$ 3,351,472
NET INCOME	\$ 182,430	\$ 459,462	\$ 446,907	\$ 12,555	\$ 397,455
PALO VERDE GATE (2)					
REVENUES	\$ 20,759	\$ 62,557	\$ 62,661	\$ (104)	\$ 59,814
EXPENSES	20,071	62,560	62,854	294	60,588
NET INCOME	\$ 688	\$ (3)	\$ (193)	\$ 190	\$ (774)

Note:

- (1) Homeowners Services includes Administration, Patrol, Facilities, Custodial, Pools and Landscapng.
- (2) Palo Verde Gate expenses are paid only by the Palo Verde Residents.

Special Funds
 March 31, 2023

	Capital Reserve Fund (1)	Capital Improvement Fund (2)	Palo Verde Gate Fund (3)
Fund Balance January 1, 2023	\$ 6,397,600	\$ 965,888	\$ 3,482
Additions from Dues, Fees, etc	77,000		-
Interest Earned	27,003	3,599	
Expenditures for:			
Golf Courses & Equipment	(69,971)	(12,865)	
HOA-Several Items	(196,939)	(96,092)	-
Fund Balance February 28, 2023	\$ 6,234,693	\$ 860,530	\$ 3,482

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 21, 50 YTD is resulting in revenue of \$99,500 ytd.

COMMITTEE AND TASK FORCE REPORTS:

Architectural Compliance Committee: The report was given of their meetings held on April 11 and April 25. Among the subjects discussed at the meetings were: 96 permits approved, 1 permit denied, 3 permits past due. Their next meetings are May 9 and May 23 at 8:30 AM in the CLC Phoenix Room. They have one (1) recommendation for the Board: change ACC Guideline Page 13, Item #9, Evaporative Coolers and Air Conditioners (New or Replacement).

They have no recommendations for Management.

The floor was opened to Board & homeowner discussion. There was no discussion.

Complete minutes of the meetings are available for viewing online and at Homeowner Services.

Audit & Finance Committee: The report was given of their meeting held on April 6. Among the subjects discussed at the meeting were: monthly reports were given. Their next meeting is May 4 at 2:00 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 the meeting are available for viewing online and at Homeowner Services.

Communications Committee: The report was given of their meeting held on April 3. Among the subjects discussed at the meeting were: monthly reports were given, Community Survey and new website. Their next meeting is May 1 at 9:30 AM in CLC Meeting Room #1.

They have no recommendations for the Board or Management.

The floor was opened to Board & homeowner discussion. A homeowner asked how many total homeowners in CWPV. Linda noted there are 3809 homes, but we do not know the actual number of homeowners. A homeowner asked if renters will also fill out the survey. Linda responded yes, there is a selection noting if you are a renter/homeowner/etc. so the survey is broken down.

Complete minutes of the meeting are available for viewing online and at Homeowner Services.

Election Committee: No Meeting in April. Their next meeting is currently scheduled for September 6 at 3:00 PM in CLC Meeting Room #1.

Facilities & Grounds Committee: The report was given of their meeting held on April 4. Among the subjects discussed at the meeting were: monthly reports were given, a future project workshop was held April 17th, a Capital Improvement Project Workshop was held April 11th. Their next meeting is May 2 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 the meeting are available for viewing online and at Homeowner Services.

Food & Beverage Committee: The report was given of their meeting held on April 6. Among the subjects discussed at the meeting were: monthly reports were given, reviewed free event options and cost vs attendance. Their next meeting is May 4 at 9:00 AM in the Palo Verde Restaurant.

They have no recommendations for the Board or Management

The floor was opened to Board & homeowner discussion. There was no discussion.

Complete minutes of the meeting are available for viewing online and at Homeowner Services.

Golf Committee: The report was given of their meeting held on April 5. Among the subjects discussed at the meeting were: monthly reports were given. Their next meeting is May 3 at 2:00 PM in the CLC Phoenix Room.

They have no recommendations for the Board.

They have two (2) recommendations for Management: 1) fix or replace speaker system at CW 2) look at 2-wheel golf bikes on course and see if changes are necessary to the Golf Cart Policy.

The floor was opened to Board & homeowner discussion. A homeowner asked about the placement of the new mats at the driving range. Pat Shouse noted options are being looked at. Glenn Martinsen asked if we were still using a dog on the course to deter birds. Scott Anderson responded yes, we are looking at procedures and making homeowners aware the dog is a 'working' dog.

Complete minutes of the meeting are available for viewing online and at Homeowner Services.

Recreation/Entertainment Committee: The report was given of their meeting held on April 4. Among the subjects discussed at the meeting were: monthly reports were given, pickleball open play starts May 1 as a trial, will meet June and August. Their next meeting is May 2 at 9:00 AM in the CLC Lecture Hall.

They have one (1) recommendation for the Board: to approve David Patterson to the Committee. They have one (1) recommendation for Management: purchase a working kiln for the pottery club. The floor was opened to Board & homeowner discussion. A homeowner asked if the June and August meetings will be open to Homeowners. Ann responded yes. A homeowner asked about the kilns. Ann noted that the pottery and glass kiln temperatures are different. Complete minutes of the meeting are available for viewing online and at Homeowner Services.

Safety & Security Committee: The report was given of their meeting held on April 5. Among the subjects discussed at the meeting were: monthly reports were given, a Maricopa County Sheriff attended as guest, Safety Day is scheduled for Jan. 13, 2024, neighborhood watch project. Their next meeting is May 3 at 10:00 AM in CLC Meeting Room #1.

They have no recommendations for the Board.

They have one (1) recommendation for Management: to email 'scam prevention' information. The floor was opened to Board & homeowner discussion. A homeowner asked about safety issues on the pickleball courts. Steve Hardesty responded that the issues are on the May Safety & Security agenda. Complete minutes of the meeting are available for viewing online and at Homeowner Services.

PROJECT UPDATE: NONE

MANAGEMENT REPORT:

Mr. Hardesty notified the Board of an emergency expenditure on April 4, 2023 for a HVAC unit at the PV Lounge which had been repaired numerous times and had reached the end of its useful life. The unit was installed in 2003 and scheduled to be replaced in 2018. 3 bids were received and the bid from CASM for \$14,135 was accepted.

Cox has 4 crews working in the community primarily in Cottonwood, PV is largely complete. Cox has received all their permits through Maricopa County and has the legal right to install utilities in the Public Utility Easement, typically 6-10 feet from the edge of the road, but varies by property. Cox has been diligent in completing the work and restoring any damaged yards or landscaping to their original or better condition. Cox needed permission for this project in PV, but CW is public streets and did not need permission from the HOA to start the project. Cox and the HOA are not partners, we work together to provide information to our homeowners. Cox has the legal authority to install fiberoptics equipment. There is no endorsement of Cox by me or the Board. All questions/issues should be directed to Cox.

Road work is taking place in PV during May. All PV residents were sent a map outlining the dates for each area. Important dates: Michigan Gate closed on 5/2, PV Restaurant and pool closed on 5/9 and activities at Sisk Park are cancelled on 5/17. The PV golf course will be open on 5/9. The seal coating of the streets will need 24hrs to dry before traffic can be allowed.

Jim Curren asked who is responsible for Cox water breaks. Steve noted the HOA bares no expense for repairs, Pima Utilities or the contractors that work for Cox are responsible for repairs. Cox can be emailed for more information. Mr. Curren asked about drinking the water. Steve and Jim Miller noted there have been no issues with drinking water.

DIRECTORS COMMENTS:

Marty: Congratulated Judy as Employee of the Month, thanked the committee chairs, important for homeowners to attend committee meetings, HOA/Board listens to the committees and homeowner input is important.

CAPITAL RESERVE REPLACEMENT FUND: NONE

PV GATE RESERVE FUND: NONE

CAPITAL IMPROVEMENT FUND: NONE

VOLUNTARY CONTRIBUTION FUND: NONE

OLD BUSINESS:

President Horst introduced Old Business request #17, Item A.

Glenn Martinsen made a motion, seconded by Tami Ronnfeldt, to approve changing Architectural Compliance Guidelines to Architectural Rules. The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

President Horst introduced Old Business request #17, Item B.

Marty Neilson made a motion, seconded by Glenn Martinsen, to approve changes to Architectural Compliance Guideline; Page 27, Item #30, Storage Facilities. The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

President Horst introduced Old Business request #17, Item C.

Tami Ronnfeldt made a motion, seconded by Marty Neilson, to approve changes to Board Policy 10-11; Election Committee Charter. The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

President Horst introduced Old Business request #17, Item D.

Bud Jenssen made a motion, seconded by Tami Ronnfeldt, to approve changes to Board Policy 11-01; Voting Policies and Guidelines. The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

President Horst introduced Old Business request #17, Item E.

Cheryl Ravenscroft made a motion, seconded by Marty Neilson, to approve changes to Board Policy 11-03; Vote Counting Process. The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

President Horst introduced Old Business request #17, Item F.

Tami Ronnfeldt made a motion, seconded by Marty Neilson, to approve changes to Board Policy 11-04; Board of Directors-Candidate Application. The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

NEW BUSINESS:

President Horst introduced New Business request #18, Item A.

Glenn Martinsen made a motion, seconded by Marty Neilson, to approve the appointment of David Patterson to the Recreation/Entertainment Committee for a 2 year term. 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. Changes to Architectural Compliance Guideline; Page 13, Item #9, Evaporative Coolers and Air Conditioners (New or Replacement).

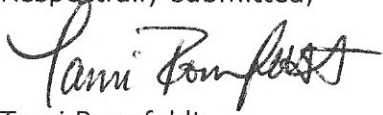
The floor was opened to Board & homeowner discussion. Marty Neilson noted air conditioners are going through significant changes and he doesn't think a policy should be based on old information, we should be flexible. Mr. Horst commented that we need to be careful with policies, our policies are going to be reviewed this summer, too much detail in our policies require more frequent changes. Ray Overholt asked if there would be a cost to homeowners related to the changes in the policy. Mr. Horst noted the changes will not affect homeowner costs as it relates to the policy.

HOMEOWNER COMMENTS:

- Jim Curren asked how a homeowner finds out about the results of committee recommendations to the Board. Len explained he can look at the Board and/or committee meeting minutes on the website. Committee recommendations are forwarded to the Board and put on the Board Agenda.

The meeting adjourned at 4:25 PM

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tami Ronnfeldt". The signature is written in a cursive style with a large initial "T" and "R".

Tami Ronnfeldt
Board Secretary