

**COTTONWOOD PALO VERDE AT SUN LAKES
BOARD OF DIRECTORS
MEETING MINUTES
December 27, 2023**

DIRECTORS PRESENT: Leonard Horst, Marty Neilson (via Zoom), Frank Gould, Tami Ronnfeldt, Bud Jenssen, Cheryl Ravenscroft, Glenn Martinsen

DIRECTORS NOT PRESENT: *NONE*

ALSO PRESENT: General Manager, Steve Hardesty

INVITED GUESTS: *NONE*

CALL TO ORDER:

President Len 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:

Jim Miller, Facilities Maintenance Manager, led the audience in the Pledge of Allegiance.

INTRODUCTION OF MANAGERS:

General Manager Steve Hardesty introduced the managers present at the meeting.

APPROVAL OF THE NOVEMBER 29, 2023 BOARD MEETING MINUTES:

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

PRESIDENT'S MESSAGE:

President Horst thanked the Board, Steve Hardesty, Management, and staff for all their work during 2023. He wished a happy and peaceful New Year to everyone.

EMPLOYEE OF THE MONTH:

Natasha Martinez has been an employee since November of 2017. She started out as one of our housekeepers. She has worked her way up from housekeeper to crew leader and is now up to the housekeeping supervisor. Natasha has 15 employees that she works with side by side. She is always striving for perfection. She promotes good work ethics throughout the housekeeping department. Natasha is always willing to lend a hand to any staff member or Homeowner. She prides herself on paying attention to detail and expects and helps crew members to achieve the same. Natasha directs staff for events. She adjusts floor plans so that everything is set exactly the way it is needed for the HOA event going on that day. Natasha is the glue that keeps the housekeeping department running so smoothly. Thank you, Natasha, for your dedication and devotion to the HOA and our facilities.

TREASURER'S REPORT:

Treasurer Frank Gould presented the November 30, 2023, Financial Summary. Mr. Gould explained the below budgeted Revenue items and higher than budgeted Expense items. The Association's Net Income remains positive. 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 November 30, 2023 pre-audited Financial Report was accepted as presented.***

**SUN LAKES HOMEOWNERS ASSOCIATION #2
INCOME AND EXPENSE SUMMARY**

November 30, 2023
(Unaudited)

	CURRENT MONTH	YEAR TO DATE	YEAR TO DATE	VARIANCE	YEAR TO DATE	YTD Var to	YTD Var to
	ACTUAL	ACTUAL	BUDGET	\$\$\$	PRIOR YEAR	Budget	PY
						%%%	%%%
REVENUES:							
HOA DUES	\$ 408,249	\$ 4,504,011	\$ 4,492,810	\$ 11,201	\$ 4,547,207	0.2%	-0.9%
RECREATION	38,348	256,035	255,997	38	189,836	0.0%	34.9%
FOOD & BEVERAGE	450,204	4,282,245	4,243,695	38,550	4,255,227	0.9%	0.6%
GOLF	296,136	2,888,788	2,987,848	(99,060)	2,704,625	-3.3%	6.8%
MISCELLANEOUS (CARRY FORWARD FUND, TRANSFER FEES, INTEREST, ETC)	54,061	673,416	630,168	43,248	439,785	6.9%	53.1%
TOTAL REVENUES	\$ 1,246,998	\$ 12,604,495	\$ 12,610,518	\$ (6,023)	\$ 12,136,680	-0.05%	3.9%
EXPENSES:							
ADMINISTRATION	\$ 168,604	\$ 1,951,665	\$ 1,835,109	\$ (116,556)	\$ 1,746,378	-6.4%	-11.8%
RECREATION	33,571	292,777	291,403	(1,374)	259,080	-0.5%	-13.0%
PATROL	36,438	392,794	380,149	(12,645)	378,583	-3.3%	-3.8%
LANDSCAPING	80,474	1,009,938	1,102,724	92,786	978,173	8.4%	-3.2%
CUSTODIAL	59,784	650,568	653,587	3,019	579,674	0.5%	-12.2%
FACILITIES	51,324	610,203	629,420	19,217	568,413	3.1%	-7.4%
POOLS	28,965	343,995	339,205	(4,790)	305,125	-1.4%	-12.7%
FOOD & BEVERAGE	450,845	4,427,322	4,342,177	(85,145)	4,384,640	-2.0%	-1.0%
GOLF PROSHOPS & MAINTENANCE	296,786	3,033,366	3,137,974	104,608	2,898,345	3.3%	-4.7%
TOTAL EXPENSES	\$ 1,206,791	\$ 12,712,628	\$ 12,711,748	\$ (880)	\$ 12,098,411	0.0%	-5.1%
NET INCOME	\$ 40,207	\$ (108,133)	\$ (101,230)	\$ (6,903)	\$ 38,269	6.8%	-382.6%
PALO VERDE GATE (2)							
Revenues	\$ 20,904	\$ 229,222	\$ 229,757	\$ (535)	\$ 219,161	-0.2%	4.6%
Expenses	19,121	233,083	229,790	(3,293)	219,573	-1.4%	6.2%
NET INCOME	\$ 1,783	\$ (3,861)	\$ (33)	\$ (3,828)	\$ (412)	-11600.0%	-837.1%

Note:

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

**Special Funds
November 30, 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	536,542	100,000	-
Interest Earned	59,616	16,450	-
Expenditures for:			
Golf Courses & Equipment	(1,112,084)	(28,405)	-
HOA-Several Items	(643,209)	(397,144)	-
Fund Balance November 30, 2023	\$ 5,238,465	\$ 656,789	\$ 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 in November 2023 was 17. November 2023 YTD totaled 207 resulting in revenue of \$522,750 YTD 2023 (\$2,525 A

Number of homes sold in November 2022 was 17. November 2022 YTD totaled 271 resulting in revenue of \$468,914 YTD (\$1,730 Ave)

COMMITTEE AND TASK FORCE REPORTS:

Architectural Compliance Committee: The report was given of their meeting held on December 12. Among the subjects discussed at the meetings were: 71 permits approved, 2 permits denied, 2 permits past due. Their next meetings are January 9 and 23 at 8:30 AM in the CLC Phoenix Room. They have one (1) recommendation for the Board: to approve the 2024 Committee Goals. 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 December 7. Among the subjects discussed at the meeting were: monthly reports. Their next meeting is January 4 at 2:00 PM in the CLC Meeting Room #1. They have two (2) recommendations for the Board: 1) to approve the 2024 Committee Goals 2) to approve changes to BP 10-09; Audit & Finance Charter. They have one (1) recommendation for Management: to review and audit policies and procedures associated with golf green fees and Happy Hour discounts. 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 December 4. Among the subjects discussed at the meeting were: monthly reports, drafted the 2024 Community Survey. Their next meeting is January 8 at 9:30 AM in CLC Meeting Room #1. They have one (1) recommendation for the Board: to approve the 2024 Committee Goals. They have no recommendations for 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.

Election Committee: The report was given of their meeting held on December 6. Among the subjects discussed at the meeting were: monthly reports. Their next meeting is currently scheduled for January 3 at 3:00 PM in CLC Meeting Room #1. They have two (2) recommendations for the Board: 1) to approve Brian Curry & Janice Byers as new committee members 2) to approve the 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 the meeting are available for viewing online and at Homeowner Services.

Facilities & Grounds Committee: The report was given of their meeting held on December 5. Among the subjects discussed at the meeting were: monthly reports. Their next meeting is January 2 at 10:00 AM in the CLC Phoenix Room. They have one (1) recommendation for the Board: to approve the 2024 Committee Goals. They have no recommendations for 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 December 2 Among the subjects discussed at the meeting were: monthly reports. Their next meeting is January 4 at 9:00 AM in the Phoenix Room. They have one (1) recommendation for the Board: to approve the 2024 Committee Goals. They have one (1) recommendation for Management: to replace the F&B name badges. 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 December 6. Among the subjects discussed at the meeting were: monthly reports. Their next meeting is January 3 at 2:00 PM in the CLC Phoenix Room. They have one (1) recommendation for the Board: to approve the 2024 Committee Goals.

They have one (1) recommendation for Management: to communicate Marshals' role, yellow stakes, 90 degrees and enforce showing homeowner cards.

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.

Recreation/Entertainment Committee: The report was given of their meeting held on December 5. Among the subjects discussed at the meeting were: monthly reports. Their next meeting is January 2 at 9:00 AM in the CLC Lecture Hall.

They have one (1) recommendation for the Board: to approve the 2024 Committee Goals.

They have no recommendations for 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.

Safety & Security Committee: The report was given of their meeting held on December 6. Among the subjects discussed at the meeting were: monthly reports, discussed AEDs and the upcoming Safety Day. Their next meeting is January 3 at 10:00 AM in the CLC Meeting Room #1.

They have one (1) recommendation for the Board: to approve the 2024 Committee Goals.

They have no recommendations for 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.

PROJECT UPDATE: NONE

MANAGEMENT REPORT:

General Manager Steve Hardesty thanked the Board, Committees, Management, staff and homeowners for a tremendous 2023. The majority of the 2023 approved projects have been completed and a full report will be presented in January 2024. The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

DIRECTORS COMMENTS:

Frank Gould: wished everyone a Happy New Year and is hoping for an increase in homeowner attendance at the Board Meetings.

Marty Neilson: commented on the great job by the Board and HOA staff during 2023, 2024 will bring new challenges and the Board is prepared.

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 #16, Item A.

Tami Ronnfeldt made a motion, seconded by Frank Gould, to consider allowing only Homeowners in "good standing" with Homeowner Cards into Board Meetings. A check-in process would be established. The description of a Homeowners per HOA Bylaws is as follows: a Homeowner is a recorded Owner that appears on a deed for a Lot (maximum of two Homeowners per Lot). If there is a single Owner of record the owner may declare in writing a Non-Member named a Resident. Additional Non-Member Occupants may become Associate Members. The floor was opened to Board & homeowner discussion. Mr. Hardesty reviewed the new Authorization Form and explained the definition of a Homeowner in Good Standing. Diane French asked where the forms could be picked up. Mr. Hardesty noted they will be available on the website and at Homeowner Services. Robert Neuer asked if a homeowner wanting to attend a meeting but is renting

their home would they need to fill out the form and why the change. Mr. Hardesty responded yes homeowners renting their home and wanting to attend meetings would need to fill out the form and homeowners must be in "good standing" with the HOA, the meetings are conducting business for HOA homeowners and the HOA attorneys advised the change. Mike Swoverland asked if renters would be allowed at meetings. Mr. Hardesty responded no. Ray Overholt noted he doesn't see any reason a homeowner renting their home should have input at an HOA meeting. President Horst noted the change will be effective January 1, 2024. **Motion carried unanimously.**

NEW BUSINESS:

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

Frank Gould made a motion, seconded by Tami Ronnfeldt, to approve the draft "Timing of Events" for the 2024 Annual Board Election. The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

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

Cheryl Ravenscroft made a motion, seconded by Frank Gould, to approve the appointments of Brian Curry and Janice Byers to the Election Committee. The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

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

Bud Jenssen made a motion, seconded by Marty Neilson, to approve the Architectural Compliance, Audit & Finance, Communications, Facilities & Grounds, Food & Beverage, Golf, Recreation/Entertainment, and Safety & Security Committees' Goals and Objectives for 2024. The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

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

Glenn Martinsen made a motion, seconded by Tami Ronnfeldt, to approve Kimberlin Company as Auditors for the Cottonwood PaloVerde HOA. The floor was opened to Board & homeowner discussion. Brian Sage noted the current Auditors notified the HOA they are unable to handle the 2024 audit. Kimberlain has history with the HOA's 401K audits for the past 7 years. Mr. Horst noted he feels it is healthy to have changes and new eyes. **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:

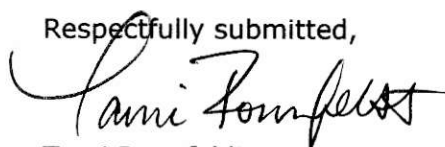
- A. Changes to Board Policy 10-09, Audit & Finance Committee Charter.

HOMEOWNER COMMENTS:

- Ray Overholt asked the maximum capacity of the San Tan Ballroom and where the sign is posted. Jim Miller noted the room holds 378 people and the sign is on the east side of the ballroom, inside the doors to the left.
- Robert Neuer asked about the number of tables at TAD events in the San Tan Ballroom. Mr. Hardesty noted the plan is to keep the same number of tables, we will review placement and alternatives.
- Dianne Barry reminded homeowners that Board members are volunteers, and she appreciates their time and work.

The meeting adjourned at 3:55pm.

Respectfully submitted,



Tami Ronnfeldt
Board Secretary