

**COTTONWOOD PALO VERDE AT SUN LAKES
BOARD OF DIRECTORS
MEETING MINUTES
December 30, 2024 - *Unapproved***

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

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 3:01 PM in the CLC Steve Nolan 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:

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

APPROVAL OF THE NOVEMBER 26, 2024 BOARD MEETING MINUTES:

President Horst called for the approval of the November 26, 2024 Board Meeting Minutes. ***Bud Jenssen made a motion, seconded by Glenn Martinsen, to approve the November 26, 2024 Board Meeting Minutes.*** The floor was opened to Board & homeowner comments. There was no discussion. ***Motion carried unanimously.***

EMPLOYEE OF THE MONTH:

There was no December Employee of the Month.

TREASURER'S REPORT:

Treasurer Marty Neilson turned the Financial Report over to Controller Brian Sage.

CONTROLLER'S REPORT:

Controller Brian Sage gave a detailed Report of the November 30, 2024 Financial Summary. 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, 2024 pre-audited Financial Report was accepted as presented***

SUN LAKES HOMEOWNERS ASSOCIATION #2

INCOME AND EXPENSE SUMMARY

November 30, 2024

(Unaudited)

	CURRENT MONTH	YEAR TO DATE	YEAR TO DATE	VARIANCE	YEAR TO DATE	YTD Var to Budget	YTD Var to PY
	ACTUAL	ACTUAL	BUDGET	\$\$\$	PRIOR YEAR	%%%	%%%
REVENUES:							
HOA DUES	\$ 470,926	\$ 5,194,519	\$ 5,182,173	\$ 12,346	\$ 4,504,011	0.2%	15.3%
RECREATION	22,335	261,004	264,865	(3,861)	259,926	-1.5%	0.4%
FOOD & BEVERAGE	484,344	4,228,312	4,560,856	(332,544)	4,286,985	-7.3%	-1.4%
GOLF	326,658	3,183,415	3,115,018	68,397	2,888,788	2.2%	10.2%
MISCELLANEOUS (CARRY FORWARD FUND, TRANSFER FEES, INTEREST, ETC)	12,394	178,275	198,000	(19,725)	672,618	-10.0%	-73.5%
TOTAL REVENUES	\$ 1,316,657	\$ 13,045,525	\$ 13,320,912	\$ (275,387)	\$ 12,612,328	-2.1%	3.4%
EXPENSES:							
ADMINISTRATION (1)	\$ 176,943	\$ 2,028,885	\$ 1,954,696	\$ (74,189)	\$ 1,951,419	-3.8%	-4.0%
RECREATION	25,138	265,822	288,381	22,559	292,777	7.8%	9.2%
PATROL	36,736	398,110	402,312	4,202	392,794	1.0%	-1.4%
LANDSCAPING	94,372	1,032,304	1,140,767	108,463	1,009,938	9.5%	-2.2%
CUSTODIAL	62,182	649,140	685,233	36,093	650,568	5.3%	0.2%
FACILITIES	51,700	611,240	660,534	49,294	610,203	7.5%	-0.2%
POOLS	28,141	341,103	344,437	3,334	343,995	1.0%	0.8%
FOOD & BEVERAGE	459,774	4,449,046	4,647,072	198,026	4,427,102	4.3%	-0.5%
GOLF PROSHOPS & MAINTENANCE	297,109	3,107,778	3,287,445	179,667	3,033,366	5.5%	-2.5%
TOTAL EXPENSES	\$ 1,232,095	\$ 12,883,428	\$ 13,410,877	\$ 527,449	\$ 12,712,162	3.9%	-1.3%
NET INCOME	\$ 84,562	\$ 162,097	\$ (89,965)	\$ 252,062	\$ (99,834)	-280.2%	-262.4%
PALO VERDE GATE (2)							
Revenues	\$ 22,004	\$ 240,646	\$ 241,243	\$ (597)	\$ 229,222	-0.2%	5.0%
Expenses	21,234	235,739	241,969	6,230	233,083	2.6%	1.1%
NET INCOME	\$ 770	\$ 4,907	\$ (726)	\$ 5,633	\$ (3,861)	-2.3%	227.1%
DEPRECIATION EXPENSE	\$ 71,000	\$ 780,000	\$ 780,000	\$ -	\$ 780,000	0.0%	
CONSOLIDATED NET INCOME	\$ 14,332	\$ (612,996)	\$ (870,691)	\$ 257,695	\$ (883,695)	29.6%	30.6%

Note:

- (1) Administration includes Fitness Center and Misc Homeowner Services.
- (2) Palo Verde Gate expenses are paid only by the Palo Verde Residents.

Special Funds
November 30, 2024

	Capital Reserve Fund (1)	Capital Improvement Fund (2)	Palo Verde Gate Fund (3)	Capital Reserve Fund	Capital Reserve Fund
Fund Balance January 1, 2024	\$ 5,962,076	\$ 672,170	\$ 3,482		
Additions from Dues, Fees, etc	737,952	150,000		Home Sales	Home Sales
Cell Tower Income	247,962	-		201	129
Interest Earned	240,587	11,836		\$ 3,500	\$ 1,500
Expenditures for:				703,500	193,500
Golf Courses & Equipment	(444,319)	-		YTD	APRIL 1ST
HOA-Several Items	(209,231)	(110,809)			
Fund Balance October 31, 2024	\$ 6,535,027	\$ 723,197	\$ 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 2024 was 13. November 2024 YTD totaled 201 resulting in revenue of \$918,000 YTD 2024 (\$4,567 Ave)

Number of homes sold in November 2023 was 17. November 2023 YTD totaled 207 resulting in revenue of \$522,750 YTD (\$2,525 Ave)

COMMITTEE AND TASK FORCE REPORTS:

Safety & Security Committee: The report was given of their meeting held on December 4. Among the subjects discussed at the meeting were: monthly reports. Their next meeting is January 8 at 10:00 AM in CLC Meeting Room #1.

They have one recommendation for the Board: have panic hardware installed on the inside of the Ceramics Room door.

They have no recommendations for Management.

The floor was opened to Board & homeowner discussion. Steve Hardesty noted Facilities is getting bids for the Ceramics Room panic door hardware.

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 10. Among the subjects discussed at the meeting were: monthly reports. Their next meeting is January 14 at 10:00 AM in CLC Lecture Hall.

They have one recommendation for the Board: approve the Committee's 2025 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.

Reciprocal Task Force: The Task Force met on December 9. Among the subjects discussed at the meeting were: reviewed Reciprocal Agreements between various Phases. Their next meeting is January 13 at 9:00 AM in CLC Room #2.

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 December 4. Among the subjects discussed at the meeting were: monthly reports. Their next meeting is January 8 at 1:00 PM in CLC Lecture Hall.

They have three (3) recommendations for the Board: 1) approve Kevin Gillespie as a Committee Member, 2) approve the Golf 5-year Plan Updates 3) approve the Committee's 2025 Goals.

They have no recommendations for Management.

The floor was opened to Board & homeowner discussion. Dave Patterson asked if there is any cost savings for painting the Par 3s, how many holes are painted, and will any Par 4s be painted in the future. Scott Anderson responded the savings will be realized in the Spring when less fertilizer, mowing etc. is needed, four Par 3s are currently painted, there is concern painting par 4s due to heavier traffic. Len Horst asked Joey Jones about Golf Genius training at Palo Verde. Joey noted it was implemented with the Men's group Saturday, assistance was given adding the app to phones, giving the ID for the round, showing homeowners how to put on their phones; training for the ladies took place last week and again this week. Feedback has been very positive.

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 5. Among the subjects discussed at the meeting were: monthly reports. Their next meeting is January 2 at 9:00 AM in CLC Phoenix Room.

They have one recommendation for the Board: approve the Committee's 2025 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.

Facilities & Grounds Committee: The report was given of their meeting held on December 3. Among the subjects discussed at the meeting were: monthly reports. Their next meeting is January 7 at 10:00 AM in 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.

Election Committee: The report was given of their meeting held on December 4. Among the subjects discussed at the meeting were: monthly reports. Their next meeting is January 9 at 3:00 PM in CLC Meeting Room #2.

They have one recommendation for the Board: approve the Committee's 2025 Goals.

They have three (3) recommendations for Management: 1) add Board Candidate links to the website 2) make ID codes more visible on election ballots 3) post committee available positions on the website.

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.

Cottonwood Pool Project Task Force: The report was given of their meeting held on December 3. Among the subjects discussed at the meeting were: discuss feedback from Architect to prepare and present Version 3.5 Pool Design to the Board.

They have one recommendation for the Board: accept Version 3.5 of the Cottonwood Pool Design.

They have no recommendations for Management.

The floor was opened to Board & homeowner discussion. Luana Capponi asked where she can find information regarding the 3.5 Pool Option. Len noted there has been previous meetings and there is a meeting scheduled for Jan. 8 to discuss the project and finances; the Architect will be present to answer questions; the Task Force is making a recommendation to the Board. Steve Hardesty noted information can be found on the website.

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 2. Among the subjects discussed at the meeting were: monthly reports. Their next meeting is January 6 at 9:30 AM in CLC Meeting Room #1.

They have one recommendation for the Board: approve the Committee's 2025 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.

Audit & Finance 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 2:00 PM in CLC Meeting Room #1.

They have one (1) recommendation for the Board: approve the Committee's 2025 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.

Architectural Compliance Committee: The report was given of their meeting held on December 10. Among the subjects discussed at the meetings were: 96 permits approved, 1 permit denied. Their next meetings are January 14 and 28 at 8:30 AM in 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.

PROJECT UPDATE: NONE

MANAGEMENT REPORT:

General Manager Steve Hardesty reflected on the past 12 months. There is a brighter 2024 financial picture. Highlights of Operations included: increased attendance at FAC, increased TAD show and Active Lifestyle class attendance, strong Golf Operations, Food & Beverage has made significant strides in their transformation plans, the Finance Dept. has a great handle on reports, audits and procedures, the Golf and Facility Maintenance Depts. are performing extremely well and are well within budget. Capital highlights of 2024 include: replacing 8 HVAC units, 3 pool heaters, 1 lake fountain and all the salt cells in our aquatic facilities, PV Irrigation System project, Food & Beverage replaced 12 various items, driving range net, AV equipment and the Reserve Study, the Association partnered financially with donations from various entities for a new Patrol golf cart and new chairs at PV Pro Shop, money was saved on several vehicles by repurposing, purchased 4 maintenance vehicles. Steve thanked the Board, Committees and homeowners for their input and support.

DIRECTORS COMMENTS: NONE

CAPITAL RESERVE REPLACEMENT FUND: NONE

PV GATE RESERVE FUND: NONE

VOLUNTARY CONTRIBUTION FUND: NONE

CAPITAL IMPROVEMENT FUND: NONE

OLD BUSINESS: NONE

NEW BUSINESS:

President Horst introduced New Business request #16, Item A.

Frank Gould made a motion, seconded by Marty Neilson, to approve the appointment of Kevin Gillespie to the Golf Committee. The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

President Horst introduced New Business request #16, Item B.

Glenn Martinsen made a motion, seconded by Tami Ronnfeldt, to approve the Communications, Election, Food & Beverage, Golf (Marshall/Rates and Communication), Recreation/ Entertainment Committees' Goals and Objectives for 2025. The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

President Horst introduced New Business request #16, Item C.

Bud Jensen made a motion, seconded by Marty Neilson, to approve the resolution to dissolve the Cottonwood Pool Task Force. The floor was opened to Board & homeowner discussion. Dave Patterson asked if the next meeting date is cancelled. Len Horst responded yes. **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. Accept the recommendation from the Cottonwood Pool Task Force to move forward with Version 3.5 and place the Conceptual Design into First Readings.
 - Steve Hardesty noted information can be found on the website and any questions can be directed to Steve's email, shardesty@sunlakes2.com; a FAQ will be posted at a later date.
 - Maryann Sinerius noted there is a meeting scheduled for January 8 where many questions can be answered.
 - Luana Capponi asked if Pool Option 3.5 is being approved and wants more information and details. Len Horst noted they are accepting the recommendation from the Task Force and putting it in First Readings for 30 days. Steve noted the Task Force recommended Version 3.5, it is going in First Readings for homeowner comment, all current information is available on the website, it is a Capital Project and takes a vote of the homeowners to pass. Frank Gould noted information can be found on the website. Steve noted there has been 8 different open meetings for homeowners that were well attended, minutes and audios are on the website. Len noted there have been 6 months of open meetings with details available to homeowners.
 - Ann Thomas asked if questions and concerns would be addressed in First Readings.
 - Sue Green requested more information be placed in The Flyer.
 - Mike Swoverland asked about the process. Len explained the process: the Task Force worked for 6 months on recommendations, a workshop was held, the Board will accept the Task Force recommendation, the recommendation will be in 30 day review for comments and public meetings, a January meeting will be held with the Architect, the Board will make a decision in January whether adjustments or changes are needed and if it will go forward for a homeowner vote, if the Board approves the project a vote would go out to the community in March.

- B. Approve HOA Rules Document.
 - Steve Hardesty noted there was a presentation before the December 17th Board Agenda Meeting, we have received emails and comments, certain Board Policies are being moved to the Rules Document. Len Horst noted no Policies are being removed, they are being moved and reorganized in the Rules Document or other Documents to remove duplication.
- C. Approve the Golf Committee’s 5-Year Plan with Updates.

HOMEOWNER COMMENTS: NONE

PRESIDENT’S MESSAGE:

President Horst reflected on the past year and contemplated what the New Year will bring. We have had many accomplishments that we are grateful for, learned from experiences and mistakes, going forward we can take a fresh look at our relationships, look for ways to find common ground and build strength. There is a 1969 Glenn Campbell song – Try A Little Kindness – that holds true to all of us. 2025 brings each of us a brand-new clean canvas. Happy New Year.

The meeting adjourned at 4:10pm.

Respectfully submitted,

Tami Ronnfeldt
Board Secretary