

COTTONWOOD PALO VERDE AT SUN LAKES
BOARD OF DIRECTORS
MEETING MINUTES
February 26, 2025 - *Unapproved*

DIRECTORS PRESENT: Leonard Horst, Marty Neilson, 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 3:00 PM in the CLC Steve Nolan Lecture Hall. He stated the meeting was being recorded for the accuracy of the minutes.

PLEDGE OF ALLEGIANCE:

Vice President Marty Neilson 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 JANUARY 29, 2025 BOARD MEETING MINUTES:

President Horst called for the approval of the January 29, 2025 Board Meeting Minutes. ***Marty Neilson made a motion, seconded by Maryann Sinerius, to approve the January 29, 2025 Board Meeting Minutes.*** The floor was opened to Board & homeowner comments. There was no discussion. ***Motion carried unanimously.***

EMPLOYEE OF THE MONTH:

President Horst congratulated and thanked our February Employee of the Month Colin Padilla, Food & Beverage Banquet Captain and gave a summary of Colin's achievements and contributions to the HOA.

TREASURER'S REPORT:

Treasurer Marty Neilson noted the HOA is in line with the budget, the Auditors are working to finalize the 2024 audit.

CONTROLLER'S REPORT:

Controller Brian Sage gave a detailed Report of the January 31, 2025 Financial Summary, still have some follow-up questions from Auditors, change in how handling depreciation. Landscaping was higher than budget for January due to oleander trimming along Riggs Rd., Admin was higher than budget due to recruiting costs,. 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 January 31, 2025 pre-audited Financial Report was accepted as presented.***

SUN LAKES HOMEOWNERS ASSOCIATION #2

INCOME AND EXPENSE SUMMARY

January 31, 2025

(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	\$ 482,606	\$ 482,606	\$ 511,749	\$ (29,143)	\$ 480,947	-5.7%	0.3%
RECREATION	41,069	41,069	38,565	2,504	38,418	6.5%	6.9%
FOOD & BEVERAGE	510,283	510,283	513,547	(3,264)	473,933	-0.6%	7.7%
GOLF	327,171	327,171	324,001	3,170	324,683	1.0%	0.8%
MISCELLANEOUS (CARRY FORWARD FUND, TRANSFER FEES, INTEREST, ETC)	32,893	32,893	16,070	16,823	20,499	104.7%	60.5%
				-			
TOTAL REVENUES	\$ 1,394,022	\$ 1,394,022	\$ 1,403,932	\$ (9,910)	\$ 1,338,480	-0.7%	4.1%
EXPENSES:							
ADMINISTRATION (1)	\$ 181,371	\$ 181,371	\$ 180,157	\$ (1,214)	\$ 205,167	-0.7%	11.6%
RECREATION	29,325	29,325	29,994	669	27,813	2.2%	-5.4%
FITNESS ACTIVITY CENTER	13,117	13,117	15,086	1,969	-		
PATROL	36,644	36,644	38,961	2,317	35,995	5.9%	-1.8%
LANDSCAPING	94,543	94,543	82,822	(11,721)	65,737	-14.2%	-43.8%
CUSTODIAL	62,608	62,608	65,771	3,163	61,265	4.8%	-2.2%
FACILITIES	55,146	55,146	59,853	4,707	52,675	7.9%	-4.7%
POOLS	38,995	38,995	50,073	11,078	47,522	22.1%	17.9%
FOOD & BEVERAGE	470,001	470,001	486,009	16,008	456,089	3.3%	-3.1%
GOLF PROSHOPS & MAINTENANCE	240,625	240,625	264,928	24,303	242,747	9.2%	0.9%
TOTAL EXPENSES	\$ 1,222,375	\$ 1,222,375	\$ 1,273,654	\$ 51,279	\$ 1,195,010	4.0%	-2.3%
NET INCOME	\$ 171,647	\$ 171,647	\$ 130,278	\$ 41,369	\$ 143,470	31.8%	19.6%
PALO VERDE GATE (2)							
Revenues	\$ 18,708	\$ 18,708	\$ 23,028	\$ (4,320)	\$ 21,640	-18.8%	-13.5%
Expenses	22,218	22,218	23,697	1,479	22,939	6.2%	-3.1%
NET INCOME	\$ (3,510)	\$ (3,510)	\$ (669)	\$ (2,841)	\$ (1,299)	-2.3%	-170.2%
DEPRECIATION EXPENSE (3)	\$ 160,000	\$ 160,000	\$ 160,000	\$ -	\$ 70,000	0.0%	
CONSOLIDATED NET INCOME	\$ 8,137	\$ 8,137	\$ (30,391)	\$ 38,528	\$ 72,171	126.8%	88.7%

Note:

(1) Administration includes Fitness Center and Misc Homeowner Services.

(2) Palo Verde Gate expenses are paid only by the Palo Verde Residents.

(3) Depreciation is based on GAAP recording vs. the previous Tax Method recording.

Special Funds

January 31, 2025

	Capital Reserve Fund (1)	Capital Improvement Fund (2)	Palo Verde Gate Fund (3)	Capital Reserve Fund	Capital Reserve Fund
Fund Balance January 1, 2025	\$ 7,248,710	\$ 696,274	\$ 3,482		
Additions from Dues, Fees, etc	145,000	3,685		Home Sales	Home Sales
Cell Tower Income	-			13	13
Interest Earned	69,368	2			
Expenditures for:				\$ 3,500	\$ 1,500
Golf Courses & Equipment	-			45,500	19,500
HOA-Several Items	(10,000)			YTD	APRIL 1ST, 2024
Fund Balance January 31, 2025	\$ 7,453,078	\$ 699,961	\$ 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 January 2025 was 13. January 2025 YTD totaled 13 resulting in revenue of \$65,000 YTD 2025 (\$5,000 Ave)

Number of homes sold in January 2024 was 9. January 2024 YTD totaled 9 resulting in revenue of \$31,500 YTD 2024 (\$3,500 Ave)

COMMITTEE AND TASK FORCE REPORTS:

Safety & Security Committee: The report was given of their meeting held on February 5. Among the subjects discussed at the meeting were: monthly reports, traffic control equipment, AED training for employees. Their next meeting is March 5 at 10:00 AM in CLC Meeting Room #1.

They have two recommendations for the Board: 1) to approve the 2025 Committee Goals & Objectives 2) to approve the Safety & Security updated Charter (BP 10-07).

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.

Recreation/Entertainment Committee: The report was given of their meeting held on February 11. Among the subjects discussed at the meeting were: monthly reports. Their next meeting is March 11 at 10:00 AM in CLC Lecture Hall.

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.

Reciprocal Task Force: The Task Force did not meet in February. Their next meeting is March 10 at 9:00 AM in CLC Room #2.

Golf Committee: The report was given of their meeting held on February 5. Among the subjects discussed at the meeting were: monthly reports, Memorial for Bill Todd CW #7. Their next meeting is March 5 at 2:00 PM in CLC Phoenix Room.

They have no recommendations for the Board.

They have one recommendation for Management: to review the Ranger's schedule later in day.

The floor was opened to Board & homeowner discussion. Tami Ronnfeldt asked why 2 of the clubs were asking to move their meeting dates. Diane stated scheduling reasons.

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 February 6. Among the subjects discussed at the meeting were: monthly reports, new staff and promotions, cards & games new rules. Their next meeting is March 6 at 9:00 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.

Facilities & Grounds Committee: The report was given of their meeting held on February 4. Among the subjects discussed at the meeting were: monthly reports. Their next meeting is March 4 at 10:00 AM in CLC Phoenix Room.

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

They have one recommendation for Management: to develop an "Arbor Plan" for replacement of trees that have been removed.

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 February 5. Among the subjects discussed at the meeting were: monthly reports, Meet the Candidates Event 2/27. Their next meeting is March 5 at 3:00 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 February 3. Among the subjects discussed at the meeting were: monthly reports, Library is looking for help. Their next meeting is March 3 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. 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 February 6. Among the subjects discussed at the meeting were: monthly reports, Audit & Reserve Study. Their next meeting is March 6 at 2:00 PM in CLC Meeting Room #1.

They have one recommendation for the Board: to approve the 2025 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.

Architectural Compliance Committee: The report was given of their regular meetings held on February 11 & 25 and the ACC Rules meeting held on 2/4 & 2/18. Among the subjects discussed at the meetings were: 141 permits approved, 12 permits denied, 13 permits past due, reviewed ACC Rules, meet with Architect for possible review of difficult plans. Their next meetings are March 11 and 25 at 8:30 AM in CLC Phoenix Room, an ACC Rules meeting will be March 4 at 8:30 AM in CLC Lecture Hall. 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 read into the Record the Timing of Events for the upcoming Public Roadway Regulations/CW Pool Project Funding, the key dates are mailing of ballots March 19, in person voting March 31-April 2, 2-4pm in the Admin Building, results announced April 3. Recently both Restaurants were closed due to gas line repairs. The Board previously approved replacing the water heater at PV with a tankless model, the gas line needed to be increased, the vendor initially told us one day, but it turned into 2-1/2 days. At CW the new 3 burner stove was installed with a licensed plumber doing the final hook up for the gas line causing the Restaurants to be closed until noon Feb. 24. Homeowner Erin Frost-Elshami asked about the Rental meeting held on Feb. 13. Len will address this issue later in his President's message.

President Horst asked for the approval of the CW Pool Project / Public Roadway Regulations Timing of Events.

Maryann Sinerius made a motion, seconded by Marty Neilson, to approve the CW Pool Project / Public Roadway Regulations Timing of Events. The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

DIRECTORS COMMENTS:

Marty Neilson: asked about the timing of the CW Pool Project and Board Elections. Steve Hardesty noted the CW Pool Project vote will start a week after the Board Elections and run from March 19 – April 2. The Board Elections run from Feb. 28 – March 12.

Tami Ronnfeldt: encourage everyone to sign up for emails, thank the 4 Board Candidates. Steve Hardesty noted if homeowners have questions or issues to contact the Admin. staff for assistance.

CAPITAL RESERVE REPLACEMENT FUND:

President Horst introduced Capital Reserve Replacement Fund request #11, Item A.

Frank Gould made a motion, seconded by Maryann Sinerius, to approve replacing the three (3) Burner Grill at the Cottonwood Restaurant from Restaurant Supply for a total budget authority of \$7,569. (Project#CR13-25, Purchased 2013). The floor was opened to Board & homeowner discussion. Steve noted the old unit was working at 25% capacity and couldn't keep up with demand. Len noted the Reserve amount was less than the actual purchase price due to increases in costs. Bob Neuer stated the Reserve Study estimates are not at current prices. Len noted his comments. **Motion carried unanimously.**

PV GATE RESERVE FUND: NONE

VOLUNTARY CONTRIBUTION FUND: NONE

CAPITAL IMPROVEMENT FUND: NONE

OLD BUSINESS:

President Horst introduced Old Business request #15, Item A.

Tami Ronnfeldt made a motion, seconded by Glenn Martinsen, to approve HOA Rules Document (version 3). The floor was opened to Board & homeowner discussion. Steve Hardesty noted the document will be on the website, they are not set in stone, revisions will be made quarterly as needed. **Motion carried unanimously.**

President Horst introduced Old Business request #15, Item B.

Bud Jenssen made a motion, seconded by Marty Neilson, to approve the Golf Committee's Updated Charter. The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

President Horst introduced Old Business request #15, Item C.

Bud Jenssen made a motion, seconded by Frank Gould, to approve the Communication Committee's 5-Year Plan. The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

NEW BUSINESS:

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

Tami Ronnfeldt made a motion, seconded by Marty Neilson, to remove all Board Policies and place them into the Rules Document or Board Procedures Book as appropriate. The floor was opened to Board & homeowner discussion. Bob Neuer noted the Board Procedures are not on the website. Steve Hardesty noted the changes on the website are forthcoming. **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. Approve the Facilities & Grounds Committee's 2025 Goals
- B. Approve the Audit & Finance Committee's 2025 Goals
- C. Approve the Safety & Security Committee's 2025 Goals.
- D. Approve BP 10-07, Safety & Security Charter.

HOMEOWNER COMMENTS:

- Bob Neuer asked about the Rental Policy. Len noted that he and Steve have addressed any emails that were sent in, Board Executive Committee will be meeting with the General Manager and 3 representative homeowners regarding the Policy.
- Bill Gosiak expressed concern regarding the Rental Policy and timing.
- Ann Thomas asked if both members of a household can vote. Len stated each lot gets one (1) vote.

PRESIDENT'S MESSAGE:

Meet the Candidate Night is your chance to meet the Board Candidates and ask questions. Voting starts Friday, February 28; 3,100 homeowners are signed up for electronic voting, in person voting March 10-12, voting ends March 12. The second vote is for the Public Roadway Regulations and CW Pool Project, voting from March 19-April 2, results April 3. The Public Roadway Regulation vote is the result of a 2023 AZ State

Law, we need to affirm our current Board Policies stay in place by voting 'yes', a 'no' vote reverts control to the State.

The meeting adjourned at 4:07pm.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tami Ronnfeldt", with a stylized flourish at the end.

Tami Ronnfeldt
Board Secretary