

**COTTONWOOD PALO VERDE AT SUN LAKES**  
**BOARD OF DIRECTORS**  
**MEETING MINUTES**  
**March 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 San Tan Ballroom. 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 FEBRUARY 26, 2025 BOARD MEETING MINUTES:**

President Horst called for the approval of the February 26, 2025 Board Meeting Minutes. ***Frank Gould made a motion, seconded by Marty Neilson, to approve the February 26, 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 March Employee of the Month John Letman, Facilities Maintenance Department and gave a summary of John's achievements and contributions to the HOA.

**TREASURER'S REPORT:**

Treasurer Marty Neilson noted the HOA is in a favorable position. The 2024 Financials have been audited and will be presented at the Annual Meeting.

**CONTROLLER'S REPORT:**

Controller Brian Sage gave a detailed Report of the February 28, 2025 Financial Summary, February was a good month, prior year budget difference is due to readjustment of depreciation. The floor was opened to Board & homeowner comments. Homeowner Ed Schable questioned the Palo Verde Gate 'current monthly actual'. Brian Sage will look into. A detailed report will be available for viewing at Homeowner Services, by appointment. ***The February 28, 2025 pre-audited Financial Report was accepted as presented.***

# SUN LAKES HOMEOWNERS ASSOCIATION #2

## INCOME AND EXPENSE SUMMARY

February 28, 2025

(Unaudited)

	CURRENT MONTH	CURRENT MONTH	VARIANCE	YEAR TO DATE	YEAR TO DATE	VARIANCE	YEAR TO DATE	YTD Var to Budget	YTD Var to PY
	ACTUAL	BUDGET	\$\$\$	ACTUAL	BUDGET	\$\$\$	PRIOR YEAR	%%	%%
REVENUES:									
HOA DUES	\$ 540,745	\$ 511,749	\$ 28,996	\$ 1,023,498	\$ 1,023,498	\$ -	\$ 949,222	0.0%	7.8%
RECREATION	41,669	40,565	1,104	82,738	79,130	3,608	86,135	4.6%	-3.9%
FOOD & BEVERAGE	493,031	533,766	(40,735)	1,003,314	1,047,313	(43,999)	966,694	-4.2%	3.8%
GOLF	398,389	382,698	15,691	725,559	706,369	19,190	696,576	2.7%	4.2%
MISCELLANEOUS (CARRY FORWARD FUND, TRANSFER FEES, INTEREST, ETC)	22,147	16,400	5,747	54,903	32,800	22,103	30,569	67.4%	79.6%
TOTAL REVENUES	\$ 1,495,981	\$ 1,485,178	\$ 10,803	\$ 2,890,012	\$ 2,889,110	\$ 902	\$ 2,729,196	0.0%	5.9%
EXPENSES:			0.73%						
ADMINISTRATION (1)	\$ 195,784	\$ 208,434	\$ 12,650	\$ 377,139	\$ 388,560	\$ 11,421	\$ 416,973	2.9%	9.6%
RECREATION	28,595	37,121	\$ 8,526	57,920	66,542	8,622	61,020	13.0%	5.1%
FITNESS ACTIVITY CENTER	13,752	15,149	\$ 1,397	26,868	30,235	3,367	-		
PATROL	38,866	38,961	\$ 95	75,510	77,922	2,412	72,335	3.1%	-4.4%
LANDSCAPING	70,620	94,650	\$ 24,030	165,163	177,472	12,309	145,170	6.9%	-13.8%
CUSTODIAL	63,855	65,771	\$ 1,916	126,463	131,542	5,079	121,675	3.9%	-3.9%
FACILITIES	59,096	59,831	\$ 735	114,243	119,684	5,441	100,791	4.5%	-13.3%
POOLS	33,277	46,583	\$ 13,306	72,272	96,656	24,384	85,696	25.2%	15.7%
FOOD & BEVERAGE	470,380	495,936	\$ 25,556	940,381	981,945	41,564	922,477	4.2%	-1.9%
GOLF PROSHOPS & MAINTENANCE	259,659	274,713	\$ 15,054	500,300	539,671	39,371	485,632	7.3%	-3.0%
TOTAL EXPENSES	\$ 1,233,884	\$ 1,337,149	\$ 103,265	\$ 2,456,259	\$ 2,610,229	\$ 153,970	\$ 2,411,769	5.9%	-1.8%
NET INCOME	\$ 262,097	\$ 148,029	\$ 114,068	\$ 433,753	\$ 278,881	\$ 154,872	\$ 317,427	55.5%	36.6%

### PALO VERDE GATE (2)

Revenues	\$ 27,507	\$ 23,028	\$ 4,479	\$ 46,236	\$ 46,056	\$ 180	\$ 43,309	0.4%	6.8%
Expenses	22,248	23,427	1,179	44,466	47,124	2,658	44,615	5.6%	-0.3%
NET INCOME	\$ 5,259	\$ (399)	\$ 5,658	\$ 1,770	\$ (1,068)	\$ 2,838	\$ (1,306)	-2.3%	235.5%

DEPRECIATION EXPENSE (3)	\$ 160,000	\$ 160,000	\$ -	\$ 320,000	\$ 320,000	\$ -	\$ 141,000	0.0%	
CONSOLIDATED NET INCOME	\$ 107,356	\$ (12,370)	\$ 119,726	\$ 115,523	\$ (42,187)	\$ 157,710	\$ 175,121	373.8%	34.0%

REVENUES	\$ 1,523,488	\$ 1,508,206	\$ 15,282	\$ 2,936,248	\$ 2,935,166	\$ 1,082	\$ 2,772,505	0.0%	5.9%
EXPENSES	1,416,132	1,520,576	104,444	2,820,725	2,977,353	156,628	2,597,384	5.3%	-8.6%
NET INCOME	\$ 107,356	\$ (12,370)	\$ 119,726	\$ 115,523	\$ (42,187)	\$ 157,710	\$ 175,121	373.8%	34.0%
Check total (hide when finished)	\$ 107,356	\$ (12,370)	\$ 119,726	\$ 115,523	\$ (42,187)	\$ 157,710	\$ 175,121	373.8%	34.0%
	\$ -	\$ -	1.0%	\$ -	\$ -	\$ -	\$ -		

NET INCOME:	CURRENT MONTH	BUDGET	VARIANCE	YEAR TO DATE	BUDGET	VARIANCE	PRIOR YEAR	BUDGET	PRIOR YEAR
ADMINISTRATION	\$ 367,108	\$ 319,715	\$ 47,393	\$ 701,262	\$ 667,738	\$ 33,524	\$ 562,818	5.0%	-24.6%
RECREATION	\$ 13,074	\$ 3,444	\$ 9,630	\$ 24,818	\$ 12,588	\$ 12,230	\$ 25,115	97.2%	1.2%
FITNESS ACTIVITY CENTER	\$ (13,752)	\$ (15,149)	\$ 1,397	\$ (26,868)	\$ (30,235)	\$ 3,367	\$ -	11.1%	
PATROL	\$ (38,866)	\$ (38,961)	\$ 95	\$ (75,510)	\$ (77,922)	\$ 2,412	\$ (72,335)	3.1%	-4.4%
LANDSCAPING	\$ (70,620)	\$ (94,650)	\$ 24,030	\$ (165,163)	\$ (177,472)	\$ 12,309	\$ (145,170)	6.9%	-13.8%
CUSTODIAL	\$ (63,855)	\$ (65,771)	\$ 1,916	\$ (126,463)	\$ (131,542)	\$ 5,079	\$ (121,675)	3.9%	-3.9%
FACILITIES	\$ (59,096)	\$ (59,831)	\$ 735	\$ (114,243)	\$ (119,684)	\$ 5,441	\$ (100,791)	4.5%	25.5%
POOLS	\$ (33,277)	\$ (46,583)	\$ 13,306	\$ (72,272)	\$ (96,656)	\$ 24,384	\$ (85,696)	25.2%	15.7%
FOOD & BEVERAGE	\$ 22,651	\$ 37,830	\$ (15,179)	\$ 62,933	\$ 65,368	\$ (2,435)	\$ 44,217	-3.7%	42.3%
GOLF PROSHOPS & MAINTENANCE	\$ 138,730	\$ 107,985	\$ 30,745	\$ 225,259	\$ 166,698	\$ 58,561	\$ 210,944	-35.1%	-6.8%
PV Gate	\$ 5,259	\$ (399)	\$ 5,658	\$ 1,770	\$ (1,068)	\$ 2,838	\$ (1,306)	265.7%	235.5%
DEPRECIATION	\$ (160,000)	\$ (160,000)	\$ -	\$ (320,000)	\$ (320,000)	\$ -	\$ (141,000)	0.0%	
Net Income	\$ 107,356	\$ (12,370)	\$ 119,726	\$ 115,523	\$ (42,187)	\$ 157,710	\$ 175,121	373.8%	34.0%
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		

Note:

967.87%

373.84%

(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

February 28, 2025

	Capital Reserve Fund (1)	Capital Improvement Fund (2)	Palo Verde Gate Fund (3)
Fund Balance January 1, 2025	\$ 7,248,710	\$ 696,274	\$ 3,482
Additions from Dues, Fees, etc	210,000	3,685	
Cell Tower Income	-		
Interest Earned	101,860	4	
Expenditures for:			
Golf Courses & Equipment	-		
HOA-Several Items	(22,800)	(15,000)	
Fund Balance February 28, 2025	\$ 7,537,770	\$ 684,963	\$ 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 February 2025 was 13. February 2025 YTD totaled 26 resulting in revenue of \$130,000 YTD 2025 (\$5,000 Ave)

Number of homes sold in February 2024 was 12. February 2024 YTD totaled 21 resulting in revenue of \$73,500 YTD 2024 (\$3,500 Ave)

Capital Reserve Fund	Capital Reserve Fund
Home Sales	Home Sales
26	26
\$ 3,500	\$ 1,500
91,000	39,000
YTD	APRIL 1ST, 2024

## **COMMITTEE AND TASK FORCE REPORTS:**

**Safety & Security Committee:** The report was given of their meeting held on March 5. Among the subjects discussed at the meeting were: monthly reports, safety newsletters, training, community presentations. Their next meeting is April 2 at 10:00 AM in CLC Meeting Room #1. They have no recommendations for the Board. They have one recommendation for Management: review trip concerns at the Sisk Park putting green. The floor was opened to Board & homeowner discussion. Diane Barry congratulated the committee on the great job they are doing. 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 March 11. Among the subjects discussed at the meeting were: questions were addressed regarding the CW Pool Project and Vote. Their next meeting is April 8 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 report was given of their meeting held on March 10. Among the subjects discussed at the meeting were: methodology and data gathering, future workshop. Their next meeting is April 14 at 9:00 AM in CLC Meeting Room #2. They have two recommendations for the Board: approve Kathy Skrei and Wendy Lahr to the Committee. They have one recommendation for Management: provide scanner options to assist with data collection. 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 March 5. Among the subjects discussed at the meeting were: monthly reports. Their next meeting is April 2 at 2:00 PM 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.

**Food & Beverage Committee:** The report was given of their meeting held on March 6. Among the subjects discussed at the meeting were: monthly reports. Their next meeting is April 3 at 9:00 AM in CLC Phoenix Room. They have no recommendations for the Board. They have one recommendation for Management: to inform homeowners of time needed to split checks. 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 March 4. Among the subjects discussed at the meeting were: monthly reports. Their next meeting is April 1 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 March 5. Among the subjects discussed at the meeting were: in-person voting. Their next meeting is May 7 at 3:00 PM in CLC Meeting Room #1. They have no recommendations for the Board. They have one recommendation for Management: to have CW Pool Project handouts available. 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 March 3. Among the subjects discussed at the meeting were: monthly reports. Their next meeting is April 7 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 Audit & Finance Committee did not meet in March. Their next meeting is April 3 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.

**Architectural Compliance Committee:** The report was given of their regular meetings held on March 11 & 25 and the ACC Rules meeting held on March 4. Among the subjects discussed at the meetings were: 127 permits approved, 8 permits require more information, 7 permits past due, finalized ACC Rules document. Their next meetings are April 8 & 22 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:**

Mr. Hardesty gave his management report at the Annual Meeting, following the Board Meeting.

### **DIRECTORS COMMENTS:**

The Director's comments were given at the Annual Meeting, following the Board Meeting.

### **CAPITAL RESERVE REPLACEMENT FUND: NONE**

### **PV GATE RESERVE FUND: NONE**

### **VOLUNTARY CONTRIBUTION FUND: NONE**

### **CAPITAL IMPROVEMENT FUND: NONE**

### **OLD BUSINESS:**

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

**Marty Neilson made a motion, seconded by Tami Ronnfeldt, to approve the Facilities & Grounds Committee's 2025 Goals.** The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

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

**Tami Ronnfeldt made a motion, seconded by Bud Jenssen, to approve the Audit & Finance Committee's 2025 Goals.** The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

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

**Frank Gould made a motion, seconded by Maryann Sinerius, to approve the Safety & Security Committee's 2025 Goals.** The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

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

**Maryann Sinerius made a motion, seconded by Tami Ronnfeldt, to approve BP 10-07, Safety & Security Charter.** 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.

***Frank Gould made a motion, seconded by Bud Jenssen, to approve the 2025-2026 Board Meeting Schedule.*** The floor was opened to Board & homeowner discussion. There was no discussion.  
**Motion carried unanimously.**

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

***Tami Ronnfeldt made a motion, seconded by Marty Neilson, to approve the appointments of Kathy Skrei and Wendy Lahr to the Reciprocal Task Force.*** The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

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

Steve Hardesty recommended leaving the Surplus Net income in Retained Earnings and not move the money to the Capital Reserve Account. ***Frank Gould made a motion, seconded by Tami Ronnfeldt, to remove the recommendation to transfer the 2024 Net Income Surplus to the Capital Reserve Account.*** The floor was opened to Board & homeowner discussion. There was no discussion.  
**Motion carried unanimously.**

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

***Glenn Martinsen made a motion, seconded by Marty Neilson, to approve Aqua Design's Architectural contract contingent upon approval of the pending homeowner vote, April 2, 2025.*** The floor was opened to Board & homeowner discussion. Steve Hardesty noted the Scope and Fee will be posted on the website, if there is a 'no' vote on the project the contract will be cancelled and the project tabled, the funding plan presented earlier to the community is the same as on the contract. Len Horst noted no money will be spent or contracts signed unless there is a positive Vote on April 2, 2025.  
**Motion carried unanimously.**

## **FIRST READINGS: NONE**

## **HOMEOWNER COMMENTS:**

Homeowner comments were moved to the Annual Meeting, following the Board Meeting.

## **PRESIDENT'S MESSAGE:**

Mr. Horst gave his President's message at the Annual Meeting, following the Board Meeting.

The meeting adjourned at 3:44pm.

Respectfully submitted,

Tami Ronnfeldt  
Board Secretary