

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

**DIRECTORS PRESENT:** Marty Neilson, Frank Gould, Tami Ronnfeldt, Bud Jenssen, Cheryl Ravenscroft, Glenn Martinsen

**DIRECTORS NOT PRESENT:** Leonard Horst

**ALSO PRESENT:** General Manager, Steve Hardesty

**INVITED GUESTS:** *NONE*

**CALL TO ORDER:**

Vice President Marty Neilson 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:**

Secretary, Tami Ronnfeldt 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 AUGUST 30, 2023 BOARD MEETING MINUTES:**

Vice President Neilson called for the approval of the August 30, 2023 Board Meeting Minutes. ***Frank Gould made a motion, seconded by Glenn Martinsen, to approve the August 30, 2023 Board Meeting Minutes.*** The floor was opened to Board & homeowner comments. There was no discussion. ***Motion carried unanimously.***

**VICE PRESIDENT'S MESSAGE:**

Vice President Neilson welcomed everyone back for the 'season', the last months have been challenging battling inflation and putting the budget together for next year, thanked Pat Shouse and the Golf Committee for all their work. As homeowners return, we should be thankful we have a vibrant and sound active community for all of us to enjoy.

**EMPLOYEE OF THE MONTH:**

Francisco Santos-Sandoval is our September Employee of the Month. Francisco, better known as "Frank", has taken on a new role as Irrigation Tech over the past year. During the past 3 weeks Frank has repaired several large irrigation breaks... hole 10, hole 15, hole 18, and hole 5. All were repaired quickly without too much interruption to the operation. He did all of this while working in hot, humid conditions.

Frank has worked throughout the summer with the company that is installing sprinklers at Cottonwood. He has provided them assistance when needing to locate valves, adjust sprinklers, find miscellaneous parts, or any other number of requests to aid their work more smoothly.

Frank is a very humble family man. Frank is reliable. He reports to work consistently to carry his share of the daily workload. He is dependable and will get his work done as expected, with no short-cuts. Frank appreciates that his work will go unnoticed if done professionally. Frank's positive attitude reflects in his work product and is appreciated by his team.

**TREASURER'S REPORT:**

Treasurer Frank Gould presented the August 31, 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 August 31, 2023 pre-audited Financial Report was accepted as presented.**

**SUN LAKES HOMEOWNERS ASSOCIATION #2**  
**INCOME AND EXPENSE SUMMARY**  
 August 31, 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
						%%%	%%%
<b>REVENUES:</b>							
HOA DUES	\$ 408,323	\$ 3,279,246	\$ 3,270,232	\$ 9,014	\$ 3,311,825	0.3%	-1.0%
RECREATION	6,137	163,082	202,506	(39,424)	125,455	-19.5%	30.0%
FOOD & BEVERAGE	249,414	3,172,995	3,172,079	916	3,106,281	0.0%	2.1%
GOLF	198,072	2,149,517	2,233,372	(83,855)	1,956,851	-3.8%	9.8%
MISCELLANEOUS (CARRY FORWARD FUND, TRANSFER FEES, INTEREST, ETC)	54,375	490,889	458,304	32,585	307,832	7.1%	59.5%
				-			
<b>TOTAL REVENUES</b>	<b>\$ 916,321</b>	<b>\$ 9,255,729</b>	<b>\$ 9,336,493</b>	<b>\$ (80,764)</b>	<b>\$ 8,808,244</b>	<b>-0.9%</b>	<b>5.1%</b>
<b>EXPENSES:</b>							
ADMINISTRATION	\$ 159,960	\$ 1,402,570	\$ 1,344,163	\$ (58,407)	\$ 1,250,248	-4.3%	-12.2%
RECREATION	15,483	204,759	206,594	1,835	163,497	0.9%	-25.2%
PATROL	34,523	284,329	275,072	(9,257)	271,213	-3.4%	-4.8%
LANDSCAPING	90,603	711,472	797,550	86,078	686,661	10.8%	-3.6%
CUSTODIAL	55,846	474,665	475,336	671	401,743	0.1%	-18.2%
FACILITIES	56,208	453,289	457,760	4,471	400,991	1.0%	-13.0%
POOLS	27,122	259,438	244,440	(14,998)	225,236	-6.1%	-15.2%
FOOD & BEVERAGE	327,088	3,234,981	3,184,957	(50,024)	3,183,750	-1.6%	-1.6%
GOLF PROSHOPS & MAINTENANCE	240,590	2,081,740	2,168,747	87,007	1,929,081	4.0%	-7.9%
<b>TOTAL EXPENSES</b>	<b>\$ 1,007,423</b>	<b>\$ 9,107,243</b>	<b>\$ 9,154,619</b>	<b>\$ 47,376</b>	<b>\$ 8,512,420</b>	<b>0.5%</b>	<b>-7.0%</b>
<b>NET INCOME</b>	<b>\$ (91,102)</b>	<b>\$ 148,486</b>	<b>\$ 181,874</b>	<b>\$ (33,388)</b>	<b>\$ 295,824</b>	<b>-18.4%</b>	<b>-49.8%</b>
<b>PALO VERDE GATE (2)</b>							
Revenues	\$ 20,806	\$ 166,448	\$ 167,096	\$ (648)	\$ 159,125	-0.4%	4.6%
Expenses	21,635	168,201	167,189	(1,012)	159,277	-0.6%	5.6%
<b>NET INCOME</b>	<b>\$ (829)</b>	<b>\$ (1,753)</b>	<b>\$ (93)</b>	<b>\$ (1,660)</b>	<b>\$ (152)</b>	<b>-1784.9%</b>	<b>-1053.3%</b>

**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**  
 August 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	368,500		-
Interest Earned	56,048	10,890	
Expenditures for:			
Golf Courses & Equipment	(290,569)	(28,405)	
HOA-Several Items	(495,096)	(297,281)	
<b>Fund Balance July 31, 2023</b>	<b>\$ 6,036,483</b>	<b>\$ 651,092</b>	<b>\$ 3,482</b>

**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 August 2023 was 9. August 2023 YTD totalled 157 resulting in revenue of \$364,750 YTD 2023 (\$2,323 Ave)

Number of homes sold in August 2022 was 14. August 2022 YTD totalled 215 resulting in revenue of \$370,664 YTD (\$1,724 Ave)

**COMMITTEE AND TASK FORCE REPORTS:**

**Architectural Compliance Committee:** The report was given of their meetings held on September 12 and 26. Among the subjects discussed at the meetings were: 62 permits approved, 3 permits denied, 4 permits past due. Their next meetings are October 10 and 24 at 8:30 AM 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 meetings are available for viewing online and at Homeowner Services.

**Audit & Finance Committee:** No Meeting in September. Their next meeting is October 5 at 2:00 PM in CLC Meeting Room #1.

**Communications Committee:** No Meeting in September. Their next meeting is October 9 at 9:30 AM in CLC Meeting Room #1.

**Election Committee:** No Meeting in September. Their next meeting is currently scheduled for October 4 at 3:00 PM in CLC Meeting Room #1.

**Facilities & Grounds Committee:** The report was given of their meeting held on September 5. Among the subjects discussed at the meeting were: monthly reports, reviewed projects for 2024 planning. Their next meeting is October 3 at 10:00 AM 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 September 7. Among the subjects discussed at the meeting were: monthly reports. Their next meeting is October 12 at 9:00 AM in the Palo Verde Lounge. They have no recommendations for the Board. They have two (2) recommendations for Management: 1) extend CW lounge hours after TAD concerts to 10pm 2) set up a new procedure for video bingo and dances. The floor was opened to Board & homeowner discussion. A homeowner asked what issues Video Bingo was experiencing. Bernie Kowalski noted the early lines and number of people are an issue during 'season'. 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 September 6. Among the subjects discussed at the meeting were: comments and feedback were taken regarding 2023/24 golf rates. Their next meeting is October 4 at 2:00 PM in the CLC Phoenix Room. They have one (1) recommendation for the Board: approve the 2023/24 Golf Rates. They have one (1) recommendation for Management: create / publish the Golf FAQ 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.

**Recreation/Entertainment Committee:** The report was given of their meeting held on September 5. Among the subjects discussed at the meeting were: monthly reports. Their next meeting is October 3 at 9:00 AM in the CLC Lecture Hall. They have one (1) recommendation for the Board: approve changes to BP 7-60, Pickleball Regulations. 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 September 6. Among the subjects discussed at the meeting were: monthly reports. Their next meeting is October 4 at 10:00 AM in the CLC Meeting Room #1. They have no recommendations for the Board. They have three (3) recommendations for Management: 1) include Patrol dos/don'ts in The Flyer and In The Know 2) fund the purchase of stickers/magnets for Safety Day 3) fund new neighborhood watch signs.

The floor was opened to Board & homeowner discussion. A homeowner asked about having a speed bump installed on Springcreek in PV. Steve Hardesty noted this is a PV Roads Commission issue and is being discussed.

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

**PROJECT UPDATE: NONE**

**MANAGEMENT REPORT:**

General Manager Steve Hardesty noted the Cox Communications work is shifting to servicing individual homeowners, the Association is allowing Cox to solicit door to door to reach homeowners who are interested in their services, this is the only time they will be allowed to solicit in our community, visit the Cox website for more information, the Association is not endorsing Cox. Maricopa County's Road project will continue for another 3-4 weeks, check their website or the Next Door posts for updates and information. Please slow down, obey signs, and follow directions when driving through the construction areas for the safety of you and the workers, the County is working to make alternate routes available. The Sisk Park project is complete except for final the punch list, the park has upgraded lighting and artificial turf and looks great, it is the new home for activities such as the Cornhole League. There will also be new turf and lighting in the Bocce Ball area.

**DIRECTORS COMMENTS: NONE**

**CAPITAL RESERVE REPLACEMENT FUND:**

Vice President Neilson introduced Capital Reserve Replacement request #12, Item A.

***Glenn Martinsen made a motion, seconded by Frank Gould, to approve replacing the shade and fabric at the Cottonwood Restaurant patio from House of Canvas in the amount of \$3,893. (Asset #290-1/YTBR: 2024).*** The floor was opened to Board & homeowner discussion. There was no discussion. ***Motion carried unanimously.***

**PV GATE RESERVE FUND: NONE**

**CAPITAL IMPROVEMENT FUND: NONE**

**VOLUNTARY CONTRIBUTION FUND: NONE**

**OLD BUSINESS:**

Vice President Neilson introduced Old Business request #16, Item A.

***Cheryl Ravenscroft made a motion, seconded by Tami Ronnfeldt, to approve changes to Board Policy 4-02, Home Purchase Fees.*** The floor was opened to Board & homeowner discussion. Mr. Gould noted the increase would go into effect by the end of the year. Mr. Hardesty noted informal studies were done comparing other similar HOAs. ***Motion carried unanimously.***

Vice President Neilson introduced Old Business request #16, Item B.

***Tami Ronnfeldt made a motion, seconded by Glenn Martinsen, to approve updating Board Policies as recommended by the Association's Attorney. The recommendation from the Attorney is to only have Rules and Regulations that are not previously covered by any other Governing Document and typically affect all members of the Association. Procedures that are internal such as collections processes, billing procedures, and other administrative duties will be collected in Management Policies and Procedures. These procedures are typically handled by management and not the Board of Directors.*** The floor was opened to Board & homeowner discussion. Mr. Hardesty noted this is the 1<sup>st</sup> step and there will be additional items presented, homeowners will be able to view the Management Procedures Manual. ***Motion carried unanimously.***

**NEW BUSINESS:**

Vice President Neilson introduced New Business request #17, Item A.

**Tami Ronnfeldt made a motion, seconded by Frank Gould, to approve Golf Rates for the 2023-2024 year to be effective Nov. 1, 2023 through October 31, 2024.** The floor was opened to Board & homeowner discussion. Homeowner Terry Wilson voiced his concerns about the increase in Golf fees and the percentage discrepancy between Clubs and usage, how can the Board justify the increases, why are HOA Dues not increasing 5%. Homeowner Michael Moore noted they are losing members which will result in less income, golf FAQ was a rubberstamp, what cutbacks are being made to other areas, why don't other clubs pay for amenities. Marty Neilson noted FAQ was researched and answered, rate of inflation resulted in increases, discrepancies will be looked into, there is a Golf 5 Year Plan to help with evaluations, comments are noted. Steve Hardesty noted the golf rates were worked on for 1 year. Tami Ronnfeldt noted HOA income comes from HOA dues, Food & Beverage, and Golf, 11 of the past 20 years there was no golf rate increase, costs have increased, we would be upside down if no action is taken. Frank Gould asked homeowners to attend the Annual Budget Meeting next month to see the costs and projections for the HOA. **Motion carried unanimously.**

Vice President Neilson introduced New Business request #17, Item B.

**Frank Gould made a motion, seconded by Glenn Martinsen, to approve the 2023-2024 Exceptions to the Golf Calendar.** 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:

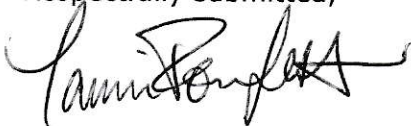
- A. Changes to Board Policy 7-60, Pickleball Court Regulations.

### **HOMEOWNER COMMENTS:**

- Jim Carlson, Pickleball Vice President, noted the change to BP 7-60 is to extend Club time by 30 minutes to 2:30pm from Oct. 1-April 30, Club dues help contribute to the courts/HOA, lights are not on all day, courts are washed as needed.
- Jim Barry thanked Steve, Scott and Jim for their work on the Unit 20 midge fly project.
- Gary Alexander advised homeowners of new ADOT rules regarding golf cart registration.
- Wanda Johnson is not happy with the increased fees, but agrees with the Board, unless we want to pay for a Management Company and multiple higher fees, we need to accept changes.

The meeting adjourned at 4:06 PM.

Respectfully submitted,



Tami Ronnfeldt  
Board Secretary