

**COTTONWOOD PALO VERDE AT SUN LAKES
BOARD OF DIRECTORS MEETING
MINUTES
FEBRUARY 24, 2016**

Directors present: Rich Featherstone, Richard Hawkes, Bud Jossen, Anne Montgomery, Woody Neiman, Dick Norris and Mel Rasmussen

Also present: General Manager, Steve Nolan

President, Richard Hawkes called the meeting to order at 3:00 PM. He stated that the meeting is being recorded for accuracy of the minutes.

Secretary, Mel Rasmussen introduced and gave a short biography of Air Force Veteran, Larry Taylor. Mr. Taylor then led the Pledge of Allegiance and was thanked for his military service.

Mel Rasmussen made a motion, seconded by Rich Featherstone, to approve the December 30, 2015 Board Meeting Minutes.

The floor was opened to Board & homeowner comments -- no comments. Motion carried unanimously.

PRESIDENT'S MESSAGE:

President, Richard Hawkes announced that for the 4th year in a row, no adjustments were needed to be made after the audit. He thanked Brian Shaw and staff. He reminded everyone to watch their mail because they should soon be receiving their ballot for the Board Elections and Bylaws change.

TREASURER'S REPORT:

Treasurer, Woody Neiman presented the January 31, 2016 Financial Summary. A detailed report will be available for viewing in Homeowner Services.

**Sun Lakes Homeowners Association #2
Financial Summary-
January 31, 2016
ACTUAL**

	Current Month ACTUAL	Year to Date ACTUAL	Year to Date Budget	Year to Date VARIANCE	Prior Year Month Actual	Prior Year to Date Actual
Homeowner Services (1)						
Revenues	\$ 360,235	\$ 360,235	\$ 363,039	\$ (2,804)	\$ 335,932	\$ 335,932
Expenses	298,011	298,011	342,109	44,098	305,480	305,480
Net	\$ 62,224	\$ 62,224	\$ 20,930	\$ 41,294	\$ 30,452	\$ 30,452
Food & Beverage						
Revenues	\$ 269,250	\$ 269,250	\$ 243,042	\$ 26,208	\$ 254,944	\$ 254,944
Expenses	284,024	284,024	254,785	(29,239)	264,279	264,279
Net	\$ (14,774)	\$ (14,774)	\$ (11,743)	\$ (3,031)	\$ (9,335)	\$ (9,335)
Golf						
Revenues	\$ 218,566	\$ 218,566	\$ 223,297	\$ (4,731)	\$ 224,928	\$ 224,928
Expenses	175,651	175,651	185,263	9,612	162,817	162,817
Net	\$ 42,915	\$ 42,915	\$ 38,034	\$ 4,881	\$ 62,111	\$ 62,111
Association Net						
	\$ 90,365	\$ 90,365	\$ 47,221	\$ 43,144	\$ 83,228	\$ 83,228
Palo Verde Gate						
Revenues	\$ 15,954	\$ 15,954	\$ 15,579	\$ 375	\$ 15,744	\$ 15,744
Expenses	17,659	17,659	15,875	(1,784)	16,468	16,468
Net	\$ (1,705)	\$ (1,705)	\$ (296)	\$ (1,409)	\$ (724)	\$ (724)

Note:

(1) Homeowner Services includes Administration, Patrol, Recreation, Facilities, Custodial, Pools and Landscaping.

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

Special Funds
January 31, 2015

	Capital Reserve Fund (1)	Capital Improvement Fund (2)	Palo Verde Gate Fund (3)	Voluntary Contribution Fund
Fund Balance January 1, 2015	\$ 5,374,910	\$ 964,982	\$ 18,468	\$ 7,899
Additions from Dues, Transfer Fees, etc		25,360		
Interest Earned	6,366	190		
Expenditures for:				
Golf Courses & Equipment	(7,396)	(890)		
HOA-Several Items	(14,800)	(17,730)		
PV Gate Reader System				
Fund Balance December 31, 2015	\$ 5,359,080	\$ 971,912	\$ 18,468	\$ 7,899

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 this month is 17, resulting in revenue of \$22,088.00.

The floor was opened to Board & homeowner comments -- no comments.

Dick Norris made a motion, seconded by Mel Rasmussen, to approve the January 31, 2016 pre-audited Financial Report. Motion carried unanimously.

COMMITTEE REPORTS:

Architectural Compliance Committee: The report was given of their meetings held on February 2 and 16. They had 90 permit applications approved. Their next meeting is March 1, in the A-7 Paint Room.

They have two (2) recommendations for Board approval on today's agenda: 1) changes to ACC Guideline #4-Antenna and TV Satellite Receivers under Old Business and 2) approve the appointment of John Arhangelsky to the Architectural Compliance Committee. under New Business. A brief explanation was given regarding the proposed changes. They have no recommendations for Management.

Audit & Finance Committee: The report was given of their meeting on February 10. Jack Hill reported on behalf of Linda Grendahl. Among the topics discussed were: end of year audit report; the monthly reports; and reducing the budget process. Their next meeting is March 9, 2:00 PM, in the Saguaro Room.

They have no recommendations for the Board or for Management.
Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

Communications Committee: The report was given of their meeting on February 1. Among the topics discussed were: 2,266 currently signed up for email; 800 Flyers being produced; 501C3 information presented by Elaine Kraemer; fun walk information; Ambassador Tours were 6; public access section of the website. Their next meeting is March 7, 8:30 AM, in the Ceramics Room.

They have no recommendations for the Board or for Management.
Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

Election Committee: Larry Taylor was thanked for his military service. The report was given of their meeting on February 4. Among the topics discussed were: preparation for the Board Elections including review and finalizing of vote documents; Meet the Candidates Night.
They had a meeting following their general meeting for the purpose of verifying the signatures on the prospective Board Candidate. The audience was reminded of Meet the Candidates Night, on Thursday, February 25. Next meeting is March 2, 1:30 PM, in the Ceramics Room.

They have no recommendations for the Board or for Management.
Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

Richard Hawkes thanked Jerry House and the Election Committee for all their work on the Elections.

Facilities & Grounds Committee: The report was given of their meeting on February 1. Jeff Michelin

reported on behalf of Roger Beagle. Among the topics discussed were: various reports from management and the Board Liaison. Next meeting is March 7 at 9:00 AM, in the Paint Room.

They have no recommendations for the Board.

They have one for Management regarding installation of lighting along the cart path east of PV swimming pool near the bridge.

Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

Food & Beverage Committee: The report was given of their meeting on February 4. Among the topics discussed were: the financial reports; report from the Board Liaison; management events reports; events announced and a demonstration of silverware and polishing unit and will be going to the Long Range Planning Committee regarding this. Linda Caton was thanked for the TAD shows that are creating a lot of revenue. Next meeting is March 3, 9:00 AM, in the Saguaro Room.

They have no recommendations for the Board or Management.

Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

Richard Hawkes thanked Linda Caton for the success of the TAD concerts.

Golf Committee: The report was given of their meeting on February 4. Among the topics discussed were: reports by management and the clubs; planned activities. Next meeting is March 3, 2:00 PM, in the Ceramics Room.

They have no recommendations for the Board or Management.

Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

Recreation Committee: The report was given of their meeting on February 1. Among the topics discussed were: concealed weapons issue; March TAD series concerts for March--Eagles-March2, George Strait-March 23. It was reported that Dancing with The Sun Lakes Stars was a success. Next meeting is March 7, 1:30 PM in the Phoenix Room.

They have no recommendations for the Board. They have two (2) recommendations for Management: 1) no smoking signs requested at the bocce ball site and 2) painting of landscaping walls north of the Pickleball courts.

Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

Richard Hawkes congratulated Wanda Johnson on her Dancing With The Sun Lakes Stars win.

Safety, Security & Access Committee: The report was given of their meeting on February 3. Among the topics discussed were: Dick Gothier exploring guest pass gate system for PV; FEMA information possibly being added to new Homeowner packets. Next meeting is March 2, 10:00 AM in the Saguaro Room.

They have one recommendation for the Board to approve the appointment of Kathy Clear to the SS&AC.

They have no recommendations for Management.

Complete minutes of this committee's meetings are available for viewing at Homeowner Services.

Health & Wellness Center Task Force: Rich Featherstone gave the report of their meeting on February 9. Among the topics discussed were: advising of Option #2 *conceptual* plan for the HWC which was forwarded to the Board at the January 27 Board Meeting. The Board accepted only what was brought forward by HWCTF - a conceptual plan so the HWCTF could move to the next step. Nothing further can be done by HWCTF or by the Board that would not include an approval by the homeowners. An automatic "counting" system installed in both of the fitness center will be there for several months to determine the usage of the facilities; Mike Smith is reviewing the functions of the spaces in option #2; Dave Bolio has resigned from the committee due to personal reasons. Next meeting is scheduled for March 15, 2:00 PM in the Saguaro Room.

Responding to a question from the floor, the counter system just gives the count of a 24 hour period with no other specifics. There was further discussion regarding other usage numbers information on other classes like yoga.

PROJECT REPORTS:

CW & PV sound/video system upgrades: Dick Norris reported on the walk-through of CWPV facilities held February 23 with Jim Miller and Artisan Systems. All A/V systems are working properly including speakers, video cameras, microphones and programmed I-pads. There are some issues which are being

addressed on the PV Roof conduit runs which will be done as soon as possible. Equipment training sessions will then be scheduled.

PV patio shade: Steve Nolan reported that the project is near completion with base of the pillars being painted and if the request for pillar faux paint is approved that will start next week.

Administration Office flag poles: Steve Nolan reported that the Flag pole project is complete with the addition of the flag representing the military branches. He reported that he has received many positive comments.

MANAGEMENT REPORT: Steve Nolan gave the report from management. He announced that the old ballroom chairs will be put up for sale to homeowner and very reasonably priced, so watch for the announcement in *The Flyer*.

DIRECTORS COMMENTS:

Richard Hawkes: Welcomed Bud Jenssen back.

Bud Jenssen: Thanked the following: Larry Taylor for his military service; Jim Miller and staff; Linda Caton for Dancing With the Sun Lakes Stars and to Beth Becker who was a judge in his place. He congratulated Wanda Johnson on her win on Dancing with the Sun Lakes Stars.

Mel Rasmussen: Thanked Larry Taylor for his military service; congratulated Wanda Johnson on her win and welcomed Bud Jenssen.

Dick Norris: Thanked Larry Taylor for his military service; thanked the managers; reminded the audience of the 3rd Annual Norris Invitational Pickleball Tournament being held March 7-11.

Woody Neiman: Thanked Larry Taylor for his military service; congratulated Wanda Johnson on her win. and Dick Norris on the sound system project coming to a close.

Anne Montgomery: Thanked Larry Taylor for his military service; thanked the managers; congratulated Wanda Johnson on her win.

Rich Featherstone: Thanked Larry Taylor for his military service.

CAPITAL RESERVE REPLACEMENT FUND REQUESTS:

Richard Hawkes introduced Capital Reserve request #10, Item A.

Woody Neiman made a motion, seconded by Anne Montgomery, to approve emergency irrigation repair to mainline at the pump house at Cottonwood hole #2 green, by Gold Canyon Pipeline sole source bid for \$2,995.00.

The floor was opened to Board & homeowner comments -- no comments. *Motion carried unanimously.*

Richard Hawkes introduced Capital Reserve request #10, Item B.

Anne Montgomery made a motion, seconded by Bud Jenssen to approve replacement of one Toro Reelmaster 7000-D fairway mower for Golf Course Maintenance for the low bid from Simpson Norton for \$76,739.46.

The floor was opened to Board & homeowner comments -- A question was answered from the floor regarding upgrading of equipment and why not split the cost between Capital Reserve and Capital Improvement. Bill Todd explained that the current mower is no longer being made and Brian Shaw confirmed there was no reason to split the cost. There were no further comments.

Motion carried unanimously.

PV GATE RESERVE FUND: NONE

CAPITAL IMPROVEMENT FUND REQUESTS:

Richard Hawkes introduced Capital Improvement request #12, Item A.

Woody Neiman made a motion, seconded by Anne Montgomery, to approve the purchase of one Toro Groundmaster 4500-D mower used for Common Area Maintenance for the low bid from Simpson Norton for \$69,713.83.

The floor was opened to Board & homeowner comments -- There were questions regarding what is being replaced and why, if the existing mower is breaking down. Bill Todd explained that common area maintenance never had a mower of their own and had always shared the one from golf maintenance. The new purchase would be for the common area maintenance. There were no further comments.

Motion carried unanimously.

Richard Hawkes introduced Capital Improvement request #12, Item B.

Woody Neiman made a motion, seconded by Rich Featherstone, to approve the cost of faux

painting 14 new pillars on the Palo Verde patio to match similar to existing pillars, for the low bid from Passion 4 Murals for \$2,950.00 plus a 15% contingency for a total cost of \$3,292.50. The floor was opened to Board & homeowner comments -- no comments. Motion carried unanimously.

Richard Hawkes introduced Capital Improvement request #12, Item C.

Dick Norris made a motion, seconded by Bud Jenson, to approve purchase of the design and construction documents for a new storage area located in the interior of the Palo Verde Maintenance building, for the sole source bid from Archi-CAD Architects for \$6,900.00, plus a 15% contingency for a total cost of \$7,935.00.

It was clarified by Mr. Hawkes that this item presently under Capital Improvement, later will be split between Capital Improvement and Capital Reserve - *split amount TBD.*

The floor was opened to Board & homeowner comments -- no comments. Motion carried unanimously.

Richard Hawkes introduced Capital Reserve request #12, Item D.

Dick Norris made a motion, seconded by Bud Jenson, to approve the construction of a storage room on the west side of the Saguaro Room patio, for the low bid from Borman Construction for \$25,680.00, plus a 15% contingency, for a total cost of \$29,532.00.

The floor was opened to Board & homeowner comments -- there was a question from the Board which was answered by Jim Miller, confirming that we have had experience in the past with Borman. No further comments. Motion carried unanimously.

VOLUNTARY CONTRIBUTION FUND: NONE

OLD BUSINESS:

Richard Hawkes introduced Old Business #14, Item A.

Woody Neiman made a motion, seconded by Anne Montgomery, to approve changes to ACC Guideline #4: "Antenna and TV Satellite Receivers". The floor was opened to Board & homeowner comments -- no comments. Motion carried unanimously.

Richard Hawkes thanked Dick Norris on the ACC's work on Guideline #4.

NEW BUSINESS:

Richard Hawkes introduced New Business #15, Item A.

Bud Jenson made a motion, seconded by Dick Norris, to approve the appointment of John Arhangelsky to the Architectural Compliance Committee. The floor was opened to Board & homeowner comments -- no comments. Motion carried unanimously.

Richard Hawkes introduced New Business #15, Item B.

Bud Jenson made a motion, seconded by Dick Norris, to approve the appointment of Kathy Clear to the Safety, Security & Access Committee.

The floor was opened to Board & homeowner comments -- no comments. Motion carried unanimously.

FIRST READINGS: NONE

HOMEOWNER COMMENTS:

- when asked the status of the homeowner petitions for the fountains for the 5 signature lakes, it was confirmed that this will be revisited by the Facilities and Grounds Committee and to the Board in 2017.
- statement asking the Board to pass along to the new Board the recommendation to remove board Policies 7-50 and 7-60.
- when asked about if homeowner could park on their yard it was explained that ACC guideline prohibit this and the Compliance Officer needs to be informed if this is occurring.

The meeting adjourned at 4:08 PM.

Respectfully submitted,

Mel Rasmussen, Secretary