

STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
APRIL 28, 2011

PRESENT: Mike Flamer, President
Doug Schoenfeld, Treasurer
Ed Katz, Secretary
Gary Friedman, Director
Chuck Murphy, Director
Jim Murphy, Director

ABSENT: Lori Condon, Director

STAFF: Larry Paprocki, Director
Nora Walker, Staff

CALL TO ORDER

President Chuck Murphy called the meeting of the Stonegate Community Association Board of Directors to order at 6:00 p.m., noting the presence of a quorum.

ELECTION OF BOARD OFFICERS

Chuck Murphy nominated Mike Flamer as President of the Board of Directors. Seconded by Mr. Jim Murphy. *Unanimously approved by a vote of six (6) to (0).*

Mr. Friedman nominated Jim Murphy as Vice-President of the Board of Directors. Seconded by Mr. Chuck Murphy. *Unanimously approved by a vote of six (6) to (0).*

President Flamer nominated Doug Schoenfeld as Treasurer of the Board of Directors. Seconded by Mr. Jim Murphy. *Unanimously approved by a vote of six (6) to (0).*

President Flamer nominated Ed Katz as Secretary of the Board of Directors. Seconded by Mr. Friedman. *Unanimously approved by a vote of six (6) to (0).*

MINUTES

Board Meeting (March 24, 2011)

Mr. Schoenfeld moved that the board approve the March 24, 2011 meeting minutes as presented. Seconded by Mr. Chuck Murphy. *The motion passed unanimously by a vote of six (6) to zero (0).*

Annual Meeting (March 24, 2011)

Mr. Katz moved that the board approve the March 24, 2011 Annual Meeting minutes as presented. Seconded by Mr. Schoenfeld. *The motion passed unanimously by a vote of six (6) to zero (0).*

TREASURER'S REPORT

Mr. Schoenfeld presented the Treasurer's report per the Director's packet. He reviewed the Association financial statements, as prepared by Association staff, for the period ending February 28, 2011 and March 31, 2011. Mr. Schoenfeld responded to questions and comments from the board members regarding the financials.

In response to a question from Mr. Friedman, Mr. Schoenfeld provided information on the Investment Policy that was adopted by a previous board. He also discussed investment performance.

President Flamer stated that most of the investments are very conservative. Board members interested in investments may want to join the Finance Committee. Mr. Paprocki advised the members of the board quorum requirements, explaining that each committee can include only three board members. If more are present, the committee meeting becomes a board meeting. He will provide the new board members with a copy of the Investment Policy.

It was moved and seconded that the board accept the financial as presented, and the Treasurer's Report as submitted. *The motion passed unanimously by a vote of six (6) to zero (0).*

EXECUTIVE DIRECTOR'S REPORT

Vacant Lot

Mr. Paprocki reported that a Tradewinds property owner has inquired whether the Community Association would be interested in selling the vacant lot adjacent to the Community Center. His property abuts the vacant lot.

Discussion ensued. The unanimous consensus of the board was to keep the property. There have been some good ideas proposed and studied for the vacant lot, although none was adopted. No one wanted to close the door to the possibilities.

Delinquent Assessment

Mr. Paprocki is requesting authorization to accelerate the remaining year's assessments on 13 homeowners' accounts, and to file complaints with the court to obtain judgments. Then the Community Association can proceed in collections as it has in the past. He

responded to questions regarding the delinquent assessments, providing historical information about judgments the Association has collected on.

Mr. Paprocki reported that typically, delinquent residents respond when access devices are shut off. However, some of the residents who are not paying assessments are part-timers. Shutting off devices isn't a problem to them until they come back to town. Another problem occurs when they borrow a neighbor's access device and program it into their cars. He recommended that the board implement a policy regarding improper use of access devices, including cloning someone else's.

Mr. Schoenfeld suggested moving forward with this request. (No action was taken.) However, before taking action we should first send a letter to the delinquent homeowner explaining that accounts can be accelerated, requiring them to pay in full for the year. He suggested that we first give them a deadline to bring the account current. Mr. Paprocki also suggested that if the resident enters into a payment schedule, they waive their right to a defense.

GLO Easements

Mr. Paprocki reported that the Scottsdale City Council will hear the city staff's application to abandon the GLO easements within Stonegate on Tuesday, May 3 at 5:00 p.m. The City Planning Commission already voted 5-0, recommending abandonment. A Scottsdale resident who doesn't live in Stonegate opposes this action. He has requested that the matter to be removed from the consent agenda. Don Hadder, City of Scottsdale, indicated that he has received a hundred emails and letters from our homeowners, supporting the abandonment. He is planning to attend this meeting and will speak if necessary. President Flamer and Mr. Katz agreed to join him at the City Council meeting.

Equestrian Trial

Mr. Paprocki doubted whether the City of Scottsdale would complete the needed improvements to the equestrian trail this year. Plan continue to change. Most of the vegetation between the wall and the SRPMIC fence has been removed. Still, due to the slope in some areas, the trial is difficult to walk. A tractor with a gannon could reduce the slope, making the trail usable now, despite the city's inaction.

Mr. Paprocki reported that some homeowners are still walking on the south side of the new fence. The SRMIC can cite them for trespassing.

Mr. Paprocki reported that the Finance Committee recommends that we not accept the city's offer of salvaged trees. The costs would be more than the value of the trees.

Mr. Chuck Murphy moved that the board authorize the Executive Director to spend \$2,000, to rent a tractor/gannon to improve the trail behind Stonegate. Seconded by Mr. Friedman.

Mr. Schoenfeld noted that the Association is spending \$2,000 for something that we have already paid taxes for. While this may be a political issue, he felt that the homeowners association is being taken advantage of.

President Flamer stated that many homeowners walk year-round on this trail. He considers it an amenity for the community, like the tennis courts or pool. Mr. Schoenfeld agreed that this is the right thing to do.

Mr. Flamer called for the vote. *The motion passed by a vote of six (5) to zero (1), with Mr. Jim Murphy opposing.*

Timarron landscaping

Mr. Paprocki reported that the Physical Property Committee recommended elimination of Timarron landscaping services currently provided by Gothic Landscaping. The committee felt that landscaping should be done by the homeowners, as in other subdivisions. There were too many complaints to continue with the current landscape company.

Mr. Paprocki discussed Timarron's tract declaration, which requires the association to provide landscape service. To amend the tract declaration, homeowners must hold another election with 67% of the 53 homes endorsing the change. In past elections, not all properties voted, so the required number of votes was not reached.

The board discussed a letter from a Timarron resident, asking that they be allowed to choose their own landscapers. The board agreed that another election would be in order, but it must be handled by the Timarron residents. The board would encourage them to form a committee and perhaps go door to door to solicit the votes needed. Timarron homeowners should bear the cost of the election.

Other items:

The Cox contract now extends to the end of 2012, with possible extension into 2013. The contract exactly reflects the recommendations of our Ad Hoc Cox Contract Committee.

Stonegate received a Perfect Safety Record certificate for 2010 from SCF Arizona.

Spring Fling was a huge success, drawing in excess of 450 people. They consumed all of the 920 hamburgers by 1:30 p.m. – plus most of the 672 hot dogs. Mr. Paprocki felt that the food order was correct.

Mr. Paprocki is working with Buddy Hughes of Hughes Asset Management to update the Reserve Study numbers.

The memorial bench honoring Bob Kagel is in place, as is the bronze plaque.

ACTION ITEMS

APS/Accel Electric Lighting Retrofit

President Flamer reported that the Physical Property Committee, Conservation Committee and Finance Committee request board approval of APS/Accel Electric Lighting Retrofit & Energy Conservation Program. Mr. Schoenfeld took exception: the Finance Committee discussed it but did not advocate adopting it.

Mr. Paprocki reported that this APS rebate program would provide for low-energy LED fixtures throughout Stonegate, including the parking lot, recreational area and landscape lighting throughout the community. While the initial phase would involve an investment (loan repayment) of \$1,047 per month, savings on our APS bill after repayment (60 months) were predicted to be \$2,618 per month. Our landscape lighting fixtures are old and our capabilities are limited by the capacity of the installed wiring. This proposal deals with both problems and saves money:

Total project cost	\$217,733.
APS rebate	\$ 32,352.
Loan size (6.93%)	\$185,381.

The board discussed this requested action at some length. President Flamer felt this request was premature. Mr. Paprocki agreed to have the consultant present at a future meeting, to answer questions. After the meeting, board members can go out to the pool area to look at an 11 watt LED landscape lighting test installation.

COMMITTEE REPORTS

President Flamer noted that the committee reports were included in the board packet for review and comment.

ADJOURNMENT

It being duly moved and seconded, the board meeting was adjourned at approximately 7:30 p.m.