

**STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
OCTOBER 27, 2011**

DRAFT MINUTES

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

STAFF: Larry Paprocki, Director
Nora Walker, Staff

CALL TO ORDER

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

RESIDENTS FORUM

No residents present.

President Flamer advised homeowners are permitted to speak once for up to three minutes on each topic being considered, as the meeting progresses. They may participate only until the motion is made.

MINUTES

**September 22, 2011 Board Meeting
October 20, 2011 Joint Meeting Board and the Finance Committee**

Mr. Katz moved that the Board approve the September 22, 2011 meeting minutes as presented. Seconded by Mr. Jim Murphy. *The motion passed unanimously by a vote of seven (7) to zero (0).*

Mr. Chuck Murphy moved that the Board approve the October 20, 2011 meeting minutes as presented. Seconded by Mr. Katz. *The motion passed unanimously by a vote of seven (7) to zero (0).*

TREASURER'S REPORT

Mr. Schoenfeld presented the Treasurer's report as per the Director's packet. He reviewed the Association financial statements, as prepared by Association staff, for the periods ending September 30 2011. He responded to questions and comments from the Board members regarding the financials.

Mr. Schoenfeld updated the board on the following items:

Accounts payable
Delinquency report
Year end projections

Ms. Condon moved to accept the financial as presented and the Treasurer's Report as submitted. Seconded by Mr. Katz. *The motion passed unanimously by a vote of seven (7) to zero (0).*

ACTION ITEMS

Accel Electric LED Proposal

President Flamer stated the Finance Committee, Physical Property Committee and Conservation Committee are requesting Board approval for lighting renovations proposed by Accel Electric, to replace our incandescent lighting with LEDS. The total cost of the project is \$48,746.18 (\$52,224.19 with Signed Express Solutions). After a rebate of more than \$26,160.11, our co-pay would be \$26,160.11. After considering the savings from reduced electric bills, the project would pay for itself in less than 14 months.

Mr. Schoenfeld moved the Board approve for lighting renovations proposed by Accel Electric, to replace our incandescent lighting with LEDS. The total cost of the project is \$48,746.18 (\$52,224.19 with Signed Express Solutions). After a rebate of more than \$26,160.11, our co-pay would be \$26,160.11. Seconded by Ms. Condon.

In response to a question from Ms. Condon, Mr. Gratton provided information regarding why the original quote was higher. He stated that they are two completely different proposals. He outlined the differences between the proposals. He also provided information on the brand new items that are on the market that were not when the original proposal was submitted.

Mr. Gratton responded to questions and comments from the Board members regarding the proposal.

The motion passed unanimously by a vote of seven (7) to zero (0).

2012 BUDGET

Ms. Condon moved to approve the 2012 Budget. Seconded by Mr. Katz.

Mr. Schoenfeld discussed some of the revisions that have been made to the budget. He advised the single biggest increase is for the Cox Cable expensed. Discussion ensued regarding the Cox contract and the fact that every year the rate increases.

Ms. Condon inquired what if the Association decides they do not want to provide the homeowners with cable. President Flamer advised that is a discussion for another day because that has nothing to do with passing the budget. Mr. Paprocki advised the Association has a one-year contract that expires on 12/31/12 so they have a year to decide what they want to do.

Mr. Schoenfeld reported there is proposed a \$3.00 increase to the Reserve portion. Mr. Chuck Murphy stated that he does not think they should increase the reserve but he does not feel strongly enough about it to vote no on the budget.

The motion passed unanimously by a vote of seven (7) to zero (0).

EXECUTIVE DIRECTORS REPORT

Reserve Projects

Mr. Paprocki reported the pool surface repairs have been completed. The new heaters have been installed and are operational. He further reported the water clarity is the best he has seen in quite sometime.

Mr. Paprocki provided an update on the painting of the common area building project that was approved by the Board at the last meeting.

Mountain View and 112th Street

Mr. Paprocki reported the signature tree of Stonegate, the ironwood, located at 112th and Mountain View Road blew down during the night and hit the ground. There was less than 20 percent of the tree remaining and it is likely the entire tree will have to be removed. The cost to replace one tree would be \$5,000 to \$6,000. He further reported he is proposing they redesign the area. He is looking at other options and trying to come up with a design concept that will be presented to the Physical Property Committee, Finance Committee. He further stated that since this is the first area you see coming east on Mountain View Road we should do something special since we lost our signature tree.

Mr. Paprocki reported as a result of the rainfall a few weeks ago trees fell down in the wash area between the Reserve and Heritage Court. Trees will be planted based on the ones lost.

Request for Legal Action: Delinquent Assessments

Mr. Paprocki reported that normally he handles the delinquent assessment collection through small claims. He further reported that he has a homeowner not paying assessments that is out-of-the country so he would like to send it to legal counsel because there is a different format for handling judgments.

In response to a question from Ms. Condon, Mr. Paprocki provided information on the steps the Association takes to take care of abandoned properties to keep the property looking good.

Mr. Schoenfeld inquired about the cost for hiring counsel regarding the international situation. Mr. Paprocki replied he would estimate about \$1,000.

Mr. Chuck Murphy moved that the Board direct the Executive Director to request legal action regarding the out-of-country homeowner's delinquent assessments. Seconded by Mr. Friedman.

The motion passed unanimously by a vote of seven (7) to zero (0).

In response to a question from Mr. Chuck Murphy, Mr. Paprocki provided information on Community and Conversation event held at Stonegate with Congressman David Schweikert. He reported that he felt it went extremely well. There were approximately 50 to 60 homeowners in attendance.

ACTION ITEMS

Committee Membership Changes

President Flamer reported the Nomination and Election Committee requests the Board accepts Jerry Levin's resignation and appoint Andrew Ventura.

Mr. Schoenfeld moved the Board accept Jerry Levin's resignation and appoint Andrew Ventura to the Nominations and Elections Committee. Seconded by Mr. Katz. *The motion passed unanimously by a vote of seven (7) to zero (0).*

Mr. Friedman stated that he considers it every ones responsibility to recruit new board members. He further stated he felt the best way is to go door to door. President Flamer stated he would agree it is important for us to be out there recruiting.

Holiday Party Catering

President Flamer stated the Social/Recreational Committee requests approval of the Holiday Party contract with ACI chefs for catering. Cost per person: \$16.00. Cost for 250 people: \$4,000.00.

Mr. Katz moved the Board approve the Holiday Party contract with ACI chefs for catering for \$4,000.00. Seconded by Mr. Jim Murphy.

The motion passed unanimously by a vote of seven (7) to zero (0).

Architectural Guidelines 4.2

President Flamer reported the Architectural Committee requests Board approval for replacement of the existing version of Section 4.2 of the Architectural Guidelines.

Mr. Friedman moved the Board approve replacement of the existing version of Section 4.2 of the Architectural Guidelines. Seconded by Mr. Katz.

Mr. Friedman stated that he still objects to the mandatory 25 percent ground cover.

Mr. Jim Murphy stated he felt over seeding needs to be put back in.

The motion passed unanimously by a vote of seven (7) to zero (0).

COMMITTEE REPORTS

NEW BUSINESS

Mr. Paprocki reported the CAI Law Seminar will be held this year in Palm Springs and early registration is \$595.00. He further reported he does not need Board action because the money is already in the budget for this seminar.

Mr. Schoenfeld commented the Social/Recreation Committee minutes state several tennis pros are interested in running programs here. He inquired is this for homeowners or outsiders. Mr. Paprocki reported it is for homeowners. A discussion ensued regarding non-resident using the tennis courts. It was noted non-residents can only play with homeowners.

Mr. Chuck Murphy advised that next month's meeting falls on Thanksgiving. It was determined the next meeting would be held on Tuesday, November 22nd.

Adjourned at 8:00 p.m.