

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

**JANUARY 24, 2012
APPROVED 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
Deena Goldstein, 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.

MINUTES

December 22, 2011 Board Meeting

Mr. Katz moved that the Board approve the December 22, 2011 meeting minutes as presented. Seconded by Mr. Friedman. *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 period ending December 31, 2011. He responded to questions and comments from the Board members regarding the financials.

Mr. Schoenfeld provided an update on the meeting that was held with the Auditor to discuss work oversight and expectations.

In response to a question by Ms. Condon, Mr. Schoenfeld advised that the auditor's response to the reason there were errors last year was due to the fact that they were not provided with good numbers. He provided background information on why the numbers presented last year were not completely accurate. He also provided information on why he is confident the numbers presented this year are accurate.

Mr. Schoenfeld updated the board on the balance sheet. Discussion ensued regarding bad debt write offs. It was noted that the Board does recognize bad debts.

Mr. Friedman shared his experience attending a Finance Committee meeting. He expressed his concern regarding the performance of the overseas investments.

Mr. Schoenfeld stated that the Finance Committee adheres to the Board approved Investment Policy and tries to ensure there are assets to meet the fiduciary needs of the Association. Mr. Friedman stated the Association is well funded but there may be ways to make it better. Discussion ensued. The consensus was to establish a special committee to analyze and evaluate the investment policy and come up with recommendations. The special committee will be Ms. Condon, Mr. Friedman and Mr. Katz.

Mr. Friedman 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).*

EXECUTIVE DIRECTORS REPORT

Nomination and Election Committee

Mr. Paprocki reported the Nomination and Election Committee has three candidates for the upcoming Annual Election. The nominees are Doug Schoenfeld and Lori Condon, existing Board Members and Dr. Don Levitt, former Board Member and Chairman of the Physical Property Committee. He further reported the Nomination and Election Committee received no other application from the general membership.

Timarron Landscape

Mr. Paprocki reported three residents have contacted him regarding amending Timarron's Tract Declaration removing the front-yard landscape obligation. They will be organizing others to help go door to door. They are aware they need 36 out of 53 positive votes to amend. He further reported the Nomination and Election Committee will be notified of the Timarron election, which they will oversee and certify the votes.

In response to a question from Mr. Chuck Murphy, Mr. Paprocki replied the ballots will go to Timarron residents only and will be a separate mailing and any costs incurred by the Association will go to the Timarron account.

Computer Update

Mr. Paprocki provided an update on the computers conversion. He reported the new server network is ready to transfer the workstations. However, a setback has occurred in that our firewall, which is ten years old has failed. Alternatives are being reviewed and a new unit may be ordered. He explained once a new firewall is set up, we will begin transitioning the other workstation computers. Scottsdale Community Association will be operating with a new operating system Windows 7. New software includes Microsoft Office 2010 and Norton 2011 Anti-virus. External hard drives are being used for back ups. Recovery is by Ghost 15. Individual computers with special software needs for our Website, photo ID and banking certificates should be completed the following week. The two IMac's have been installed with parallel software and will be connected to SCA network as well. A newer router was purchased. It is dual band so the SCA side will be secured and the other will be named SCA guest. He commented that he is expecting our new system to be fully operational by the end of the month.

Mr. Paprocki responded to questions and comments from the Board members regarding the computer update.

Community Center Update

Mr. Paprocki reported the electrostatic painting of the Community Center and gatehouses are underway. The Community Center's back offices will be painted this week on Saturday, so the office will be closed due to the fumes and reopened on Monday for normal business. He further reported that the building has an updated look and homeowners' responses have been favorable.

2011 Audit Fieldwork

Mr. Paprocki reported on Monday, January 23rd the 2011 audit fieldwork began on schedule. Fieldwork should be completed this Wednesday. The final audit report will be presented at a joint meeting with the Finance Committee on Thursday, February 16th.

Mr. Paprocki reminded the Board that he will be out of the office starting this Thursday attending the CAI Law Seminar and will be back in the office the following Monday.

Mr. Paprocki provided information on the delinquent accounts, complaints filed by the Association and the judgments the Association has collected on.

BOARD ACTIONS

Approve 2012 Social Calendar

President Flamer reported the Executive Director requests Board approval of the 2012 Social Calendar.

Ms. Condon moved the Board approve the 2012 Social Calendar. Seconded by Mr. Katz. *The motion passed unanimously by a vote of seven (7) to zero (0).*

Request to Hire PMIS to Evaluate Streets

President Flamer reported the Executive Director requests Board approval to engage the services of PMIS, Tom McDonald to perform an inspection of our streets to determine if crack sealing is necessary, estimate the longevity of our roads. Also, to provide recommendations on how to extend the existing life of the roads. If the Association chooses to have recommended work done, PMIS is to prepare the scope of work, solicit bids and present those items to the Board of Directors for approval. He is also to be the project manager to oversee the work. He further reported the cost for inspection and project administrator is \$4,350.00. This would be an unbudgeted Reserve expense if approved by the Board for 2012.

Mr. Paprocki provided information on why the inspection of our streets is needed. He explained in reviewing the crack size, this work could extend the useful life of our existing streets and delay major restoration work by several years. He responded to questions and comments from the Board members regarding this request.

President Flamer shared his experience, as past Chair of the Physical Property Committee, as it relates to the maintenance of the roads and working with Tom McDonald as an expert in this area.

In response to a question from Mr. Chuck Murphy, Mr. Paprocki provided a break down of what the Association would receive for the \$4,350.00 noting the cost for the inspection report is \$2,650. He explained this is the first step to have a better understanding on how to treat the roadways. Discussion ensued. Mr. Schoenfeld stated that he felt there should be a long-term assessment rather than doing this piecemeal. It was noted that it would be more appropriate to start with Board approval on the inspection report only.

Mr. Paprocki provided information on the steps that have been taken to maintain the roads. He also provided information on cost variables and different types of products that could be used.

Mr. Katz moved for approval to engage the services of PMIS, Tom McDonald to perform an inspection of our streets to determine if crack sealing is necessary, estimate the longevity of our roads at a cost of \$2,650.00. Seconded by Mr. Friedman. *The motion passed by a vote of five (5) to two (2) with Mr. Schoenfeld and Mr. Chuck Murphy dissenting.*

COMMITTEE REPORTS

Brief discussion re committee reports.

DISCUSSION NEW BUSINESS.

Discussion was held regarding the Cox Bulk Use Contract that expires 12/31/12. It was determined this issue should not wait to be addressed by the new Board and put on the February agenda and that a subcommittee be formed.

Mr. Schoenfeld moved that the Board establish a Cox Contract Committee. Seconded by Mr. Friedman. *The motion passed unanimously by a vote of seven (7) to zero (0).*

At the request of Mr. Schoenfeld, Mr. Paprocki provided an update on the light bulb replacement project.

ADJOURNMENT

The Board meeting, being duly moved and seconded, adjourned at approximately 7:55 p.m.