

**STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
FEBRUARY 23, 2012**

APPROVED MINUTES

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

ABSENT: Gary Friedman, Director

STAFF: Larry Paprocki, Director

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

Mr. Jim Murphy stated the minutes do not reflect that he is the Vice President of the Board of Directors and requested they are amended.

January 24, 2012 Board Meeting

Mr. Chuck Murphy moved that the Board approve the January 24, 2012 meeting minutes as amended. Seconded by Mr. Katz. *The motion passed unanimously by a vote of six (6) to zero (0).*

February 16, 2012 Joint Meeting

Ms. Condon moved that the Board approve the February 16, 2012 meeting minutes as amended. Seconded by Mr. Chuck Murphy. *The motion passed unanimously by a vote of six (6) to zero (0).*

TREASURER'S REPORT

2011 Audit Report

Mr. Schoenfeld stated the Board and Finance Committee reviewed the 2011 Audit at the joint meeting held on February 16, 2012. He further stated it is "a clean report".

Mr. Schoenfeld discussed the 2011 Tax Return as it relates to gains and losses on investments. He stated it is requested that the President sign the return. Discussion was held. It was noted that there were no realized losses or gains.

January 2012 Financials

Mr. Schoenfeld reviewed the Association financial statements, as prepared by Association staff, for the periods ending January 31, 2012. He responded to questions and comments from the Board members regarding the financials.

2012 Reserve Expense Budget

Mr. Schoenfeld reviewed the 2012 Reserve Expense Budget. He responded to questions and comments regarding the budget.

Mr. Katz noted that the fund balances are different on the first page than the fund balance on the next page. Discussion was held. It was determined that the heading should reflect the fund balance as of 12/31/11.

In response to a question from Mr. Katz, Mr. Schoenfeld advised short-term investments are insured up to half a million dollars.

In response to a question from President Flamer, Mr. Paprocki stated he has a draft of the reserve study that will be presented to the Board at the next meeting. Mr. Schoenfeld advised the Reserve Study will be updated every year.

EXECUTIVE DIRECTOR'S REPORT

Alarm Pane

Mr. Paprocki reported the fire alarm panel located in the utility room is in need of replacement. The unit, which is 20 plus years, is no longer responding to system check signals. He further reported replacement parts are not available. The cost of a new unit is \$1500. The bid was received from Safeguard, who also provides the monitoring of our system.

Equestrian Trial Update

Mr. Paprocki reported the City of Scottsdale has contracted Hunter Contracting Company to construct the equestrian trial improvements behind Stonegate. The work is scheduled to begin on March 5th and is expected to take three months to complete. The work will move from east to west, starting at the Power Corridor.

Mr. Paprocki explained the work has to be done from the trail itself. The City and the contractor have requested permission to access the trail from Stonegate, specifically through the wash between the Retreat and the Regent. He advised that he has met with both the City and contractor to inspect the route. Approximately ten trees will need to be trimmed to allow high profile construction trucks to pass. This work has been completed. He further explained that he will be requesting Board approval of the contractor's Lot Use Agreement. He responded to questions and comments regarding this project.

Mr. Katz recommended including in the Lot Use Agreement if the trucks damage any of our common areas they are held responsible. Mr. Paprocki stated he will have that added to the agreement along with dust control.

Timarron Landscape Election Update

Mr. Paprocki reported ballots have been mailed to Timarron Residents and the Nominations and Elections Committee will oversee the election. The initial ballot count will take place the first week in March. Residents within Timarron will then proceed to go door to door to encourage residents, who have not voted to do so. He further reported that he estimates approximately 20 plus ballots have been received. He added 36 "yes" ballots are required to amend the Tract Declaration.

SCA Annual Homeowners' Meeting

Mr. Paprocki reported the Stonegate Community Association Annual Homeowners' meeting is scheduled for Thursday, March 22, 2012 at 7:00 p.m. in the Community Center. The master mailing is scheduled for next week. The Annual Report will be posted on our website tentatively by March 1, after review and approval by the Board.

BOARD ACTIONS

Cox Cable Ad Hoc Committee

Mr. Paprocki stated at the last Board meeting it was discussed to establish a Cox Cable Ad Hoc Committee. He further stated the following people have expressed interest in serving on that committee: Cary Wiseman, Bill Linz and Karen Turek.

Mr. Schoenfeld moved the Board approve Cary Weissman, Bill Linz and Karen Turek to serve on the Cox Cable Ad Hoc Committee. Seconded by Mr. Katz. *The motion passed unanimously by a vote of six (6) to zero (0).*

Audit

President Flamer stated the Executive Director requests the Board approve the 2011 Audit Report submitted by Gregg Butler, CPA with Butler, Jones & Hansen P.C.

Mr. Katz moved the Board approve the 2011 Audit Report submitted by Gregg Butler, CPA with Butler, Jones & Hansen P.C. Seconded by Vice President Jim Murphy. *The motion passed unanimously by a vote of six (6) to zero (0).*

2012 Reserve Expense Budget

President Flamer stated the Executive Director requests the Board approve the 2012 Reserve Budget, which includes planned expenses and unplanned expenses. Individual items require Board Approval.

Ms. Condon moved the Board approve the 2012 Reserve Budget, which includes planned expenses and unplanned expenses. Seconded by Mr. Chuck Murphy. *The motion passed unanimously by a vote of six (6) to zero (0).*

Lot Use Agreement

Mr. Schoenfeld moved the Board approve the Lot Use Agreement with the addition of dust control and common area provisions. Seconded by Mr. Katz. *The motion passed unanimously by a vote of six (6) to zero (0).*

Alarm Panel Replacement

President Flamer stated the Executive Director requests the Board approve the replacement of the Alarm Panel. The cost of replacement would be \$1476.15.

Mr. Schoenfeld moved the Board approve the replacement of the Alarm Panel. The cost of replacement would be \$1476.15. Seconded by Ms. Condon. *The motion passed unanimously by a vote of six (6) to zero (0).*

COMMITTEE REPORTS

President Flamer noted that the Committee reports were included in the Board packet for Board member review and comment.

Mr. Katz stated that the Board Investment Policy Committee is not ready to make a recommendation and requests to table this issue. Mr. Schoenfeld commented on the importance of creating an Ad Hoc Roadway Committee due to the huge financial impact on the community. President Flamer suggested at the Annual Meeting he will make a request for committee members. Mr. Paprocki stated that he would also put something in the community email.

ADJOURNMENT

Mr. Chuck Murphy moved the Board adjourn into executive session at 7:05 p.m.
Seconded by Ms. Condon.