

**STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
JUNE 28, 2012**

APPROVED MINUTES

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

ABSENT: Don Levitt, Director

STAFF: Larry Paprocki, Director
Robin Hackett, AV

CALL TO ORDER

President Condon 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

Ted Epand, Regent, stated he is here today to request the Stonegate Board of Directors to establish a temporary Committee for purposes of fulfilling the following Mission Statement:

“To investigate pet amenities offered by other local and/or competitive house developments and to analyze how any of these features might better maintain the appeal of the Stonegate community to current residents and potential homeowners”

Steven Lipps stated he would like to have a temporary Committee look at all amenities and analyze them to determine if they would be appropriate for Stonegate and how they would be implemented and provide the Board with a report.

Mr. Friedman stated that the issue of a dog park was investigated three years ago and was voted down. He further stated one of the main concerns was that it would be adjacent to someone's house.

Mr. Schoenfeld moved that the Board establish temporary Committee to investigate pet amenities offered by other local and/or competitive house developments and to analyze how

any of these features might better maintain the appeal of the Stonegate community to current residents and potential homeowners. Seconded by Mr. Flamer.

Mr. Murphy stated that he did not think another committee needed to be formed because this issue would fall under an already established committee, specifically the social recreation committee or physical property committee. Discussion ensued regarding the need for this temporary committee.

President Condon called for the vote. *The motion failed by a vote of two to three with Mr. Friedman, Mr. Katz and Mr. Murphy dissenting.*

MINUTES

May 23, 2012 Board Meeting

Mr. Katz requested a correction to the minutes on Page 5, under Discussion/New Business, third paragraph, **numbers** should be changed to **words**.

Mr. Schoenfeld moved that the Board approve the May 23, 2012 meeting minutes as amended. Seconded by Mr. Katz. *The motion passed unanimously.*

TREASURER'S REPORT

May 2012 Financials

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

Mr. Schoenfeld reported that the Finance Committee had extensive conversations regarding the performance of the Janus overseas equity fund. The Committee's unanimous agreement was to sale 50 percent of the Janus overseas equity fund and put the funds into a money market account. He responded to questions and comments from the Board members regarding this recommendation.

Mr. Friedman moved that the entire Janus Overseas equity fund be sold and the funds be placed in a checking account. Seconded by Mr. Schoenfeld.

Mr. Katz requested the motion be amended to have the funds put in a money market account. Discussion ensued. It was noted that money market accounts are insured by the FDIC but the funds may have to be put in four different banks.

Mr. Chuck Murphy stated that he felt the Board should listen to the recommendation of the Finance Committee. He further stated that he is in favor of the Board supporting our committees and he plans on voting no.

President Condon called for the vote. *The motion failed by a vote of one to four with Mr. Katz, Mr. Murphy, Mr. Schoenfeld, and Mr. Flamer dissenting.*

Mr. Katz moved that the Board adhere to the recommendation of the Finance Committee to sale 50 percent of the Janus overseas equity fund and put the proceeds in a short-term money market account allocated to the reserve portion. *Seconded by Mr. Schoenfeld. The motion passed four to one with Mr. Friedman dissenting.*

Finance Committee Member Appointment

Mr. Schoenfeld stated the Finance Committee recommends to the Board that Nancy Ford be appointed to the Finance Committee. He further stated she has attended the three meetings as required.

Mr. Paprocki stated Nancy Ford is well qualified with a financial background in banking. Nancy's prior service to the Community Association was as a member of the Nomination and Election Committee and in her second year she served as the chairperson of that committee.

Mr. Flamer moved that the Board appoint Nancy Ford as a member to the Finance Committee. *Seconded by Mr. Katz. The motion passed unanimously.*

Amended and Restated Investment Policy

Mr. Schoenfeld provided an overview of the suggested changes to the investment policy. Discussion ensued regarding the amended and restated investment policy.

Mr. Flamer moved the Board accept the amended and restated Reserve and Capital Investment Policy. *Seconded by Mr. Katz.*

Mr. Murphy requested the motion be amended to have the investment sheet include all investments are ensured. Mr. Flamer and Mr. Katz accepted the amendment to the motion. *The motion passed by a vote of four to one with Mr. Schoenfeld dissenting.*

Mr. Katz moved the Board accept the Treasurers Report. *Seconded by Mr. Flamer. The motion passed unanimously.*

EXECUTIVE DIRECTOR'S REPORT

Mr. Paprocki reported that he attended an open house on June 18, 2012 at the Pomeroy Ranch as they are seeking a Conditional Use Permit for their property. He further reported that a number of residents attended but not much information was provided. He stated that he is recommending inviting the Ranch Manager come before the Board and residents and give a presentation on their request for a Conditional Use Permit. He outlined the information he has about the Pomeroy Ranch request. He noted it is still in the pre-application process.

Discussion was held. It was noted their main concerns are regarding the possible increased density and traffic and how it will impact the community.

Mr. Paprocki reported that the Cox Communications ad hoc committee was not happy with the response from Cox. He reviewed the rate increases to the bulk use agreement over the last few years. He further reported the ad hoc committee's recommendation will be presented to the Board at the next meeting.

Mr. Flamer stated in the past there were significant discounts but we are starting to lose the benefits.

Mr. Paprocki provided an update on the utilities. He reported we have made changes that have resulted in significant electrical savings but the water is over budget due to the lack of rain and record temperatures.

Mr. Paprocki reported re-sales are up.

Mr. Paprocki reported that he has received requests for political open houses and fund raisers but felt the Association should stay out of politics and fund raisers. He further reported having open houses for city elections are good because the issues impact this area. Discussion was held. It was felt an open house should be held in September for the city election.

BOARD ACTIONS

Sunland Tennis Court Repair

President Condon stated the Executive Director, Physical Property/Conservation Committee and Finance Committee request Board approval of Sunland Asphalt Tennis Court repairs. Repairs of tennis courts 1 through 5 in the amount of \$10,539.42. Repair and resurface tennis courts 6 and 7 in the amount of \$10,428.31. She further stated this is a Reserve expense. The two items total: \$20,967.73.

Mr. Paprocki explained the courts are in need of repair as to extend their usable life. Otherwise all courts will fail within three years. This action is preventative work. When the tennis courts are reconstructed corrective actions can be taken. He responded to questions and comments from the Board members regarding this request.

Mr. Murphy moved the Board approve the Sunland Asphalt Tennis Court repairs. Repairs of tennis courts 1 through 5 in the amount of \$10,539.42. Repair and resurface tennis courts 6 and 7 in the amount of \$10,428.31. A Reserve expense. The two items total: \$20,967.73. Seconded by Mr. Flamer. *The motion passed four to zero with Mr. Freidman abstaining.*

Architectural Committee Chair Appointment

Mr. Paprocki reported new A.R.S Section 33-1817 (Planned Communities) requires that at least one member of the Design Review Committee and/or Architectural Review Committee be a Board Member. The new law requires the Board member be the chairperson of the committee. The law takes effect August 2, 2012

Mr. Friedman volunteered to serve as chairperson of the Architectural Committee.

Mr. Flamer moved the Board appoint Gary Friedman as chairperson of the Architectural Committee. Seconded by Mr. Katz. *The motion passed unanimously.*

COMMITTEE REPORTS

President Condon noted the Committee reports were included in the Board packet for Board members review and comment.

ADJOURNMENT

Mr. Flamer moved the Board adjourn at 8:00 p.m. Seconded by Mr. Katz.