

**STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
AUGUST 28, 2014**

APPROVED MINUTES

PRESENT: Edward Katz, President
Don Levitt, Vice President
Nancy Ford, Treasurer
David Allen, Secretary
Jean-Claude Moreau, Director
Leroy Rhein, Director
Cary Weissman, Director

STAFF: Larry Paprocki, Director
Stephanie Castiglia, AV

CALL TO ORDER

President Katz called the meeting of the Stonegate Community Association Board of Directors to order at 5:30 p.m., noting the presence of a quorum.

PRESIDENT'S REPORT

President Katz reported prior to the start of this meeting, there was a presentation from representatives from Miracle League of Arizona during which they thanked the Board for allowing them to use the community facility for their fundraiser held last May.

MINUTES

June 26, 2014 Board Meeting

President Katz reviewed his correction to the minutes.

Dr. Rhein moved the Board approve the June 26, 2014, Board of Directors meeting minutes as amended. Seconded by Mr. Moreau. *The motion passed unanimously.*

June 26, 2014 Board Executive Session

Mr. Moreau moved the Board approve the June 26, 2014, Board of Directors Executive Session minutes as presented. Seconded by Dr. Rhein. *The motion passed unanimously.*

TREASURER'S REPORT

July Financials

Ms. Ford reviewed the Association financial statements, as prepared by Association staff, for the period ending July 31, 2014. She advised that she reviewed the bank statements and they are in order. She responded to questions and comments from the Board members regarding the financials.

Mr. Paprocki provided an update on the delinquent accounts. He responded to questions and comments from the Board members regarding the delinquent accounts.

Dr. Levitt moved the Board accept the Treasurer's Report. Seconded by Mr. Weissman. *The motion passed unanimously.*

EXECUTIVE DIRECTOR'S REPORT

Mr. Paprocki provided an update on the 2015 Operating and Reserves Budget. He reported the 2015 Operating Budget Worksheets are completed and showed the 2014 year to date actuals. He further reported that the worksheets will be updated in September with the August actuals and the proposed 2015 income and expenses. He advised the Finance Committee will be receiving the draft information in September.

Mr. Paprocki stated that he has been working with PMIS on updating the Roadway Reserve 10-year plan. He further stated that he is expecting to present this information to the Physical Property Committee the first part of September and then to the Finance Committee. He advised that he will be meeting with Hughes Reserves Asset to update the General Reserve Report. He further advised that he would be running several "what if" financial scenarios to determine reserve assessment amount, needed increases in the future and projected expenses including roadway expenses for the next 10 years to determine adequate funding.

Mr. Paprocki stated that he is recommending a joint meeting with the Finance Committee in the reviewing of the 2015 Operating Budget, Roadway Reserve 10 year plan and the General Reserve Report. He further stated that he estimates this meeting will be held the end of September or the beginning of October to allow the Board to take action at the October meeting.

Mr. Paprocki reported that the CO2 application and plan has been submitted to the City of Scottsdale. A redline has been returned with needed information and revision to the plan itself. He further reported that he is in contact with the Fire Department inspector and the Planning Review to ensure all information and questions are answered prior to re-submittal. He advised after the permits are obtained, the CO2 tank and installation can be scheduled.

Mr. Paprocki reported that several homeowners have not brought their properties in compliance. He further reported that each homeowner was sent the notice of non-

compliance and the 10-day notice letter. He advised that no response was received and as a result they have waived their right to appeal. He further advised that per State Law, before a community association can cite a violation, the homeowner has the right to be heard by the Board. He stated that without a response from the homeowners, he is requesting they be found in violation with Stonegate's legal documents.

Mr. Paprocki reported that Safeguard is a family run and owned business and one of the family members has sold his shares in the business to a California firm with an excellent reputation. He further reported that his understanding is there would not be any changes to the operation of the company. He stated that the community association's contract with Safeguard will expire the end of 2014 and prior to that time he will be looking to negotiate a new contract.

In response to a question from Dr. Levitt, Mr. Paprocki advised this change will not affect the current Safeguard employees or our gate personnel. He further advised that there will not be a company name change.

Mr. Paprocki stated the Board was advised of the air conditioner failure in the Community Center office area through email and he thanked everyone for responding. He further stated that it became very hot in this building, up to 90 degrees, and he had to let staff leave early on that day. President Katz requested a formal approval on the reserve expenditure.

Dr. Levitt moved that the Board approve the purchase of the new air conditioner unit. Seconded by Mr. Weissman. *The motion passed unanimously.*

Mr. Paprocki stated that former Board President, Chuck Murphy and his wife are leaving the community and moving to California to be closer to family. He further stated that Mr. Murphy has been a major asset to the community for many years. President Katz suggested that Mr. Paprocki send Mr. Murphy a letter on behalf of the Board thanking him for his service and wishing him well in the move.

BOARD ACTIONS

Mr. Paprocki reported that three homeowners failed to trim palm trees as required. Each homeowner received two notices with one being the 10-day notice letter.

Mr. Paprocki advised that one homeowner is a repeat offender from last year and he brought his property into compliance during the grace period and waived the fine. The remaining homeowners should be given a 7-day timeframe to bring their property into compliance so the fine can be waived. They will be advised in the future if a 10-day notice letter is issued and the matter goes before the Board, the fine will not be waived. After 7 days the fine stands.

President Katz stated the request is for each homeowner cited as being in violation, be assessed a fine in the amount of \$150.00 per Stonegate's legal documents.

Ms. Ford moved the Board approve the request for each homeowner cited as being in violation be assessed a fine in the amount of \$150.00 per Stonegate's legal documents. Seconded by Mr. Moreau. *The motion passed unanimously.*

President Katz stated the Executive Director requests the Board adopts an Access Device Reactivation Fee in the amount of \$25.00. He further stated that per the Collection & Enforcement Policy, devices are turned off due to delinquent accounts and failure to comply with Stonegate's legal documents.

Dr. Rhein moved the Board adopt an Access Device Reactivation Fee in the amount of \$25.00. Per the Collection & Enforcement Policy, devices are turned off due to delinquent accounts and failure to comply with Stonegate's legal documents. Seconded by Mr. Moreau. *The motion passed unanimously.*

COMMITTEE REPORTS

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

A brief discussion was held regarding the Architectural Committee report.

NEW BUSINESS

President Katz stated the next Board of Directors meeting will be held on Tuesday, September 23, 2014 at 6:00 p.m.

ADJOURNMENT

Dr. Levitt moved the Board adjourn at 6:15 p.m. Seconded by Dr. Rhein. *The motion passed unanimously.*