

**STONEGATE COMMUNITY ASSOCIATION  
11551 E MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA  
BOARD OF DIRECTORS MEETING  
OCTOBER 25, 2016**

**APPROVED MINUTES**

**Present:** Nancy Ford, President  
Tom Schaefer, Treasurer  
Gene Evans, Secretary  
Jim Bissonett, Director  
Lori Condon, Director  
Leroy Rhein, Director

**Absent:** Cary Weissman, Vice President

**Staff:** Larry Paprocki, Director  
Catherine Bryson, Communications

**CALL TO ORDER**

President Ford called the meeting of the Stonegate Community Association Board of Directors to order at 5:00 p.m., noting the presence of a quorum.

**MINUTES**

**September 22, 2016 Board Meeting**

Dr. Rhein moved the Board approve the September 22, 2016, Board of Directors meeting minutes as presented. Seconded by Mr. Evans. The motion passed unanimously.

**TREASURER'S REPORT**

Mr. Schaefer reviewed the Association financial statements, as prepared by Association staff, for the period ending September 30, 2016. He advised that he has reviewed the bank statements and they are in order. He responded to questions and comments from the Board members regarding the financials.

Mr. Bissonett moved the Board accept the Treasurer's report. Seconded by Dr. Rhein. The motion passed unanimously.

## **2017 Operating Budget**

Mr. Schaefer stated the Finance Committee requests Board approval of the 2017 Operating Budget. He further stated that there is no increase from last year's operating budget.

Mr. Evans moved the Board approve the 2017 Operating Budget. Seconded by Dr. Rhein. The motion passed unanimously.

## **10-Year Roadway Plan**

Mr. Schaefer stated the Finance Committee and the Physical Property Committee requests the Board accept the 10-year Roadway Plan.

Mr. Schaefer moved the Board approve the 10-year Roadway Plan. Seconded by Mr. Bissonett. The motion passed unanimously.

## **30-Year Reserve Plan**

Mr. Schaefer stated the Finance Committee and the Physical Property Committee requests the Board accept the 30-Year Reserve Plan.

Mr. Schaefer moved the Board approve the 30-Year Reserve Plan. Seconded by Mr. Evans. The motion passed unanimously.

## **2017 Operating & Reserve Assessment**

Mr. Schaefer reported the Finance Committee requests Board approval for the 2017 Operating & Reserve monthly assessment as follows: \$153.00 Operating and \$35.00 Reserve for total monthly assessment of \$188.00.

The Board discussed the importance of advising the homeowners regarding the reason for the \$10.00 increase so they have a clear understanding.

Mr. Schaefer moved the Board approve the 2017 Operating & Reserve monthly assessment as follows: \$153.00 Operating and \$35.00 Reserve for total monthly assessment of \$188.00. Seconded by Mr. Evans. The motion passed unanimously.

## **EXECUTIVE DIRECTOR'S REPORT**

Mr. Paprocki provided an update on the arrangements made for Halloween. He reported three Scottsdale Police Department officers will be present using two patrol cars. He further reported two officers will be assigned to the Retreat. The other officer will patrol the rest of Stonegate. He advised that three Safeguard officers will be present. One officer at the Retreat Entry Gate for emergency purposes, one officer will be posted to the East Gate for traffic control and the remaining officer will assist at the Main Gate in processing vehicle entry.

Mr. Paprocki reported that a 10-Day Enforcement Notice letter was sent to Regal Lot 26 dated June 20, 2016. The property is now in compliance and it will soon be going on the market.

Mr. Paprocki provided an update on the view fence repairs and painting. He reported in late September, the project was completed. He further reported the punch list was completed and the 10 percent holdback will be released in October. He advised the homeowners who have not paid their property portion of the view fence cost are being sent notices indicating the outstanding amount owed.

Mr. Paprocki provided an update on the Crown Castle payment. He reported he received a response to his correspondence dated September 27, 2016. He further reported Crown Castle acknowledged the payment was owed and will issue a check for payment. He advised payment should be received within the next two weeks.

Mr. Paprocki provided an update on Regal Lot 2. He reported that the close of escrow is scheduled for October 31<sup>st</sup>.

Mr. Paprocki provided an update on the property transfer fee challenge. He reported a homeowner questions the legality of Stonegate Community Association Property Transfer Fee, which exist in the recorded 2009 Amended and Restated CC&Rs. He further reported in 2010, Arizona Legislature was passed prohibiting any property transfer payment to a third party. He stated that included in the Board packet is a legal opinion from Carpenter Hazelwood, SCA's legal counsel on this matter. He advised if the Board wishes to discuss the opinion, he would recommend it be done in Executive Session. He further advised that the opinion clearly states that SCA would not be a third party and Property Transfer Fee is an assessment.

In response to questions from President Ford, Mr. Paprocki provided brief updates on the Belcourt homeowner in violation with the visitor parking guidelines and the status of the investor, who flips homes and who had gotten a hold of a homeowner's access card from a prior owner.

Mr. Paprocki stated he would like to hire TASC, a firm to address regulatory filing required by the Labor Department to insure the Association is in compliance with the Healthcare as it applies to ERISA. He further stated there would be a \$100.00 setup fee and \$500.00 annual cost. He responded to questions and comments from the Board members. The consensus of the Board was to move forward with the service.

## **BOARD ACTIONS**

### **Holiday Party Catering Contract**

Mr. Paprocki stated the Social Recreational Committee requests Board approval of the Holiday Party Catering Contract in the amount of \$5,500.00. The holiday party is scheduled for Thursday, December 8, 2016 from 5:30 – 8:00 p.m. He reviewed the menu

prepared by Chef Wolf. He noted that there is not a cost increase this year. Discussion was held regarding gaining additional sponsors for the holiday party.

Mr. Evans moved the Board approve the Holiday Party Catering Contract in the amount of \$5,500.00. Seconded by Dr. Rhein. The motion passed unanimously.

### **Recreational Amenities, Physical Property & Social Recreational Committee and Community Volunteers request**

Mr. Paprocki stated the Recreation Amenities, Physical Property & Social Recreational Committee and Community volunteers request Board approval of up to \$10,000 to contract with a designer who can provide conceptual designs and related options for a workout facility. He responded to questions and comments from the Board members regarding this request.

Mr. Evans moved the Board approve up to \$10,000 to contract with a designer who can provide conceptual designs and related options for a workout facility. Seconded by Mr. Bissonett. The motion passed with Dr. Rhein abstaining.

Ms. Condon requested to look at adding a Pedestrian (Ped) fitness course as another amenity. Mr. Paprocki suggested sending this request to the Physical Property Committee for review.

Ms. Condon moved the Board send to the Physical Property the request to look at adding a Pedestrian (Ped) fitness course as an amenity. Seconded by Mr. Evans. The motion passed with Mr. Bissonett dissenting.

### **2016-2017 Insurance**

Mr. Paprocki requests Board approval to renew the November 2016-2017 Westfield Insurance Package \$19,356 – Annual Premium. He reported the cost difference is \$23 less for renewal. He responded to questions and comments regarding this request.

Mr. Evans moved the Board approve the November 2016-2017 Westfield Insurance Package \$19,356 – Annual Premium. Seconded by Mr. Bissonett. The motion passed unanimously.

### **COMMITTEE REPORTS**

President Ford noted the committee reports were included in the Board packet for Board members review and comment.

Dr. Rhein moved the Board accept the committee reports. Seconded by Mr. Bissonett. The motion passed unanimously.

## **DISCUSSION / NEW BUSINESS**

Mr. Evans stated Pickleball is one of the fastest growing sports and many courts are being converted into four Pickleball courts. He further stated that one tennis court could be converted into four Pickleball courts. He noted that some homeowners who are tennis players may be upset due to the fact we would be taking away one of the tennis courts. He further noted that there has been discussion regarding utilizing the common area between the tennis courts where two Pickleball courts could be built. The Committee recommends the Board move ahead and build two Pickleball courts on the small pad.

Mr. Paprocki provided information on the tennis courts and the reconstruction that needs to be done. He responded to questions and comments from the Board members regarding the tennis courts.

Mr. Bissonett moved the Board approve the recommendation in the Committee report. Seconded by Mr. Schaefer. The motion passed with Mr. Evans abstaining.

Discussion was held regarding the date for the November Board of Directors meeting. It was determined that the Board would not hold a November meeting and the December meeting would be on December 6, 2016 at 5:00 p.m.

## **ADJOURNMENT**

Mr. Evans moved the Board adjourn the meeting 6:45 p.m. Seconded by Ms. Condon. The motion passed unanimously.