

STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
JANUARY 25, 2011

PRESENT: Chuck Murphy, President
Mike Flamer, Vice President
Doug Schoenfeld, Treasurer
Lee Secrest, Secretary
Lori Condon, Director
Don Levitt, Director
Jim Murphy, Director

STAFF: Larry Paprocki, Director
Nora Walker, Staff

ALSO

PRESENT: Gary Friedman
Ed Katz

CALL TO ORDER

President Murphy 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 21, 2010

Mr. Flamer moved that the board approve the December 21, 2010, meeting minutes as presented. Seconded by Mr. Schoenfeld. *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 Directors' packet. He reviewed the association financial statements, as prepared by staff, for the period ending December 31, 2010. Topics of discussion included:

- The balance sheet
- Financial effects of bankruptcies and short sales
- Costs of abandoned property
- Bad debt write-off

Mr. Secrest moved to accept the financial as presented and the Treasurer's Report as submitted. Seconded by Mr. Flamer. *The motion passed unanimously by a vote of seven (7) to zero (0).*

EXECUTIVE DIRECTOR'S REPORT

Mr. Paprocki nominated the late Bob Kagel as 2010 Volunteer of the Year. Mr. Kagel was the longest serving member of the Architectural Committee, and chairperson since 2002. Mr. Paprocki spoke with several committees. All support this nomination. Bob Kagel's friends are purchasing a bench as a memorial. The Architectural Committee recommends that the Community Association pay for the plaque to be placed nearby.

Dr. Levitt moved that the board approve the purchase of a memorial plaque for Bob Kagel with the inscription left to the new chair of the Architectural Committee and Mr. Paprocki. Seconded by Mr. Secrest. *The motion passed unanimously by a vote of seven (7) to zero (0).*

Mr. Paprocki reported the 2010 audit on-site work has begun and should be completed by the end of the week. A special meeting of the Board of Directors and the Finance Committee will be called for the audit presentation.

Mr. Paprocki discussed the 2010 Arizona statue which made fireworks much more accessible, leading to several recent incidents in Stonegate. He has talked about this with several committees. The board packet included draft rules for board consideration. They invoke general prohibitions in the CC&Rs which can be applied to protect the health, safety and welfare of Stonegate homeowners. The consensus was to remove the word *excessively* from the proposed rules.

Mr. Flamer moved that the board adopt the proposed Fireworks Rules with the word *excessively* removed. Seconded by Dr. Levitt. Mr. Paprocki noted that this will become part of the association rules, not the Architectural Guidelines, because it is beyond the scope of that committee. The net effect of the rule is to define fireworks as a nuisance.

President Murphy called for the vote. *The motion passed by a vote of four (4) to three (3) with President Murphy and Jim Murphy dissenting and Ms. Condon abstaining.*

Mr. Paprocki discussed a suggestion that a reward be established by the board for the conviction/apprehension of vandals in the community. The consensus was to leave it up to the Executive Director and the Police Department.

Mr. Paprocki reported that on Friday, January 14, 2011, he received an email from Stacey Gubser, advising that work would soon begin on the SRPMIC (Pima Reservation) northern boundary fence. The work will begin at 90th Street and move east. The installation work should reach Stonegate by mid-February. Gates are still being planned,

but their location behind Stonegate has not yet been identified. The consensus of the board was that Mr. Paprocki should continue to work with the City of Scottsdale.

Mr. Paprocki provided information on abandonment of GLO easements. Don Hadder, senior planner for the city of Scottsdale, recently received clearance from the public utility companies. No conflicts exist. Mr. Hadder asked for an open house at our Community Center and Mr. Paprocki scheduled it on Thursday, February 10 at 4:30 p.m. The city will post legally required public notice signs and send post cards to the property owners. Stonegate will feature it in the Stonegate Email News.

Mr. Paprocki discussed his revised response letter to NewPath/Crown Castle. He sent it to legal counsel for review. The board packet includes a recent email from Mr. Jason Sears, inquiring on the status of the proposed amendment.

Mr. Paprocki reported that a Bose sound dock system was purchased for the back room, to use with the flat screen TV and Blu-ray player. It works with an iPod, a CD or DVD movies. The system it replaced was 20 years old and was becoming unreliable.

Mr. Paprocki discussed the Sex Offender Notice sent by the Scottsdale Police Department regarding an individual convicted in 1998. The offender lives in Paradise Heights, not Stonegate. For additional information, individuals can contact Scottsdale Police Investigations Hotline at 480 312-8680 or www.azsexoffender.com.

Mr. Paprocki asked the board to change its 2011 meeting dates from the fourth Tuesday to the fourth Thursday of each month. The Finance Committee will meet on the third Thursday of each month. The next board meeting will be Thursday, February 24.

BOARD ACTIONS

2011 Budget

Mr. Schoenfeld stated that the Finance Committee recommends delaying acceptance of the 2011 Budget until after the audit is complete. This allows the committee to review the final version of the operating budget, as well as the reserve budget. The consensus of the board was to defer the acceptance of the 2011 Budget.

2011 Swim Program

President Murphy reported that the Social/Recreational Committee recommends approval of the 2011 Little Fins swim program.

Mr. Flamer moved that the board approve the 2011 Little Fins swim program. Seconded by Mr. Secret. *The motion passed unanimously by a vote of seven (7) to zero (0).*

Community Garage Sale

Mr. Paprocki reported that a Retreat resident had volunteered to organize a community garage sale. She would track participating residents and help generate materials to make the event successful. The event will be for Stonegate residents and their invited guests only. The gates will not stand open. The proposed date is Saturday, April 2, 2011.

Mr. Schoenfeld moved the board approve the Social/Recreational Committee recommendation to request to have a Community Garage Sale on April 2, 2011. Seconded by Ms. Condon.

President Murphy called for the vote. *The motion failed by a vote of three (3) to four (4) with President Murphy, Mr. Flamer, Mr. Secrest and Dr. Levitt dissenting.*

COMMITTEE REPORTS

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

Mr. Paprocki reported that he met with a resident regarding possible participation in the APS lighting/power rebate program. It would involve retrofitting lights throughout the community common areas. They are currently studying the matter.

President Murphy reported that he was invited to attend a Social/Recreational Committee meeting. A discussion of overlapping committee interests led to the suggestion of committee gatherings, perhaps semi-annually, with all committees represented. This might help communications and spark committee members' interest in running for the board. The consensus was to have Mr. Paprocki put together a program and present it to the board at a future meeting.

ADJOURNMENT

The board meeting, being duly moved and seconded, adjourned at approximately 8:00 p.m.

**STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
FEBRUARY 24, 2011**

PRESENT: Mike Flamer, Vice-President
Doug Schoenfeld, Treasurer
Lee Secrest, Secretary
Lori Condon, Director
Don Levitt, Director
Jim Murphy, Director

ABSENT: Chuck Murphy, President

STAFF: Larry Paprocki, Director
Nora Walker, Staff

CALL TO ORDER

Vice-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

JANUARY 25, 2011

Mr. Schoenfeld moved that the board approve the January 25, 2011 meeting minutes as presented. Seconded by Ms. Condon. *The motion passed unanimously by a vote of six (6) to zero (0).*

TREASURER'S REPORT

Vice-President Flamer reported the treasure's report was accepted in the joint session held prior to this meeting with the Board of Directors and the Finance Committee.

EXECUTIVE DIRECTOR'S REPORT

Bob Kagel, 2010 Volunteer of the Year

Mr. Paprocki reported that the plaque was ordered for Bob Kagel, 2010 Volunteer of the Year. The bench was purchased by Bob's friends and is on-site. The Annual Report will make the announcement.

SRPMIC fence work

Mr. Paprocki provided an update on the SRPMIC northern boundary fence. Construction has reached the section behind Stonegate. Gate access arrangements are not yet finalized.

NewPath

Mr. Paprocki discussed his letter to NewPath (Crown Castle), sent in February. There has been no response to date.

Ms. Condon asked whether Scottsdale Ranch had experienced any problems with their installation. Mr. Paprocki explained that the method of installation there was different.

GLO easements

Mr. Paprocki provided information on the GLO abandonment meeting. Don Hadder, City of Scottsdale planner, met with residents to explain the history of these easements and answer questions. More than 40 residents attended. This matter will go before the Planning Commission in March/April and to the City Council in May/June. One non-resident who objects to abandonment on philosophical grounds was present. Board members discussed the positive impact of GLO abandonment.

Responding to Mr. Secrest's question, Mr. Paprocki explained that abandoned GLO easements revert to the current owner.

Wall Damage

Mr. Paprocki reported that on Sunday, February 20, at approximately 3:00 a.m., a single vehicle caused damage to a party wall shared by Stonegate and a Stonecreek resident. Collision information on the driver, vehicle owner and insurance policy was inaccurate. The Scottsdale Police were contacted because of the false information. Repair of the masonry wall will run roughly \$500. Painting will be done in-house. The homeowner is responsible for half if neither insurance nor restitution is available.

Mr. Schoenfeld recalled that this is at least the second time someone has hit this wall. He suggested installing steel rebar so that the damage is not quite as extensive. Paprocki explained why steel rebar would not be structurally feasible. The Association will ask the City of Scottsdale for additional barricade posts.

2010 Audit

Mr. Paprocki discussed the representation letter, enclosed in the board package for review. The original will need a board member's signature. The consensus was that the Treasurer, Mr. Schoenfeld should sign, along with Mr. Paprocki.

BOARD ACTIONS

2010 Audit Approval 2011 Budget Approval

Vice-President Flamer noted that the board had approved the 2010 Audit and 2011 Budget in a joint session with the Finance Committee just before this meeting.

COMMITTEE REPORTS

Vice-President Flamer noted that the committee reports were included in the board package for board member review and comment.

Mr. Secrest asked whether the two items requested, wireless lapel mike and an HDMI connection cable, are small enough to purchase without board approval. Vice-President Flamer replied that they were small enough.

DISCUSSION/NEW BUSINESS

Ms. Condon noted that her family always misses out on Scottsdale's hazardous waste and electronics recycling events. Mr. Schoenfeld suggested that rather than having our own event, staff could help promote the nearby city events via email and the mailbox bulletin boards.

In response to a question from Mr. Secrest, Mr. Paprocki provided information on how the community association is handling the issue of fireworks.

Mr. Paprocki reported the next meeting will be held on Thursday, March 24, with the board meeting starting at 5:00 p.m. and Annual Meeting following that meeting.

ADJOURNMENT

The board meeting, being duly moved and seconded, adjourned at approximately 6:40 p.m.

STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
MARCH 24, 2011

PRESENT: Mike Flamer, Vice-President
Doug Schoenfeld, Treasurer
Lee Secrest, Secretary
Lori Condon, Director
Don Levitt, Director
Jim Murphy, Director

ABSENT: Chuck Murphy, President

STAFF: Larry Paprocki, Director
Nora Walker, Staff

ALSO

PRESENT: Mark Rudolph
Ed Katz

CALL TO ORDER

Vice-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.

RESIDENTS FORUM

Mark Rudolph, a Stonecreek homeowner, had questions about the financial statements as shown in the Annual Report. He wanted to know what specific Stonegate employees were paid. He was also concerned about how decisions were made, allowing that he had no knowledge of how the board works.

Responding to Mr. Rudolph's questions, Mr. Schoenfeld provided information on expenses from the past fiscal year. Mr. Secrest suggested that Mr. Rudolph submit a list of questions to the Executive Director. Mr. Rudolph felt that such a list would take too much time. Mr. Paprocki suggested setting up a meeting with Mr. Rudolph, Treasurer Schoenfeld and himself, to address all of Mr. Rudolph's questions.

Responding to a question from Mr. Rudolph, Vice-President Flamer discussed payroll and administrative expenses, noting that the Board takes care that employees are paid fairly, reasonable and competitively. Mr. Jim Murphy emphasized that the Finance Committee also spends a lot of time on this issue.

Mr. Rudolph expressed concern that the Reserve Fund is under-funded. Vice-President Flamer noted that the board and Finance Committee have worked at length on that issue. Mr. Rudolph can get a better understanding of our Reserves and finances by joining the Finance Committee or running for the board. The association has an extensive committee

system which thoroughly evaluates all of these issues and provides the board with recommendations.

Mr. Paprocki will contact Mr. Rudolph tomorrow and set up the meeting.

MINUTES OF FEBRUARY 24, 2011

Dr. Levitt moved that the Board approve the February 24, 2011 meeting minutes as presented. Seconded by Mr. Jim Murphy. *The motion passed unanimously by a vote of six (6) to zero (0).*

TREASURER'S REPORT

Mr. Schoenfeld presented the Treasurer's report as per the directors' packet. He reviewed the association financial statements, as prepared by association staff, for the period ending January 31, 2011. He responded to questions and comments from the board members.

Mr. Secrest moved to accept the financials as presented and the Treasurer's Report. Seconded by Dr. Levitt. *The motion passed unanimously by a vote of six (6) to zero (0).*

EXECUTIVE DIRECTOR'S REPORT

GLO easements

Mr. Paprocki reported the City of Scottsdale Planning Commission voted unanimously (5 to 0, with two members not present) to recommend abandonment of the GLO easements in Stonegate. This issue is now scheduled to be heard by the City Council at the 04/26/11 meeting, but may be pushed to the 05/03/11 meeting. No one appeared at the Planning Commission meeting in opposition; however, there is one non-Stonegate resident who opposes the abandonment of the GLO easements.

Mr. Paprocki stated that staff will notify the homeowners of the City Council meeting and request they write letters and attend the meeting for a show of strength.

SRPMIC fence work

Mr. Paprocki provided an update on the SRPMIC northern boundary fence. Construction is almost completed. The City has not developed a plan. He has a meeting next week with the City's trail planner and project manager. The City has offered the association the trees that will be removed from that area and we could re-plant them. Some homeowners felt that those trees should not be taken down.

Mr. Paprocki reported that the city has scheduled a meeting on April 7 at the Mustang Library, to discuss the plans for the Doubletree Ranch Trail.

The city has requested we open up our maintenance trail, but he is concerned about liability issues. Mr. Paprocki responded to questions and comments from the Board members regarding this issue.

Cox letter of agreement

Mr. Paprocki reported that he has received the Cox Letter of Agreement.

Vice-President Flamer stated that Ad Hoc Communications Committee has negotiated an extension of the association's bulk cable service contract through December 31, 2012. This is in the best interest of homeowners, who receive a huge discount on the normal Cox rates.

Dr. Levitt moved that the Board authorize Vice-President Flamer to sign the Cox Letter of Agreement. Seconded by Mr. Secrest. *The motion passed by a vote of five (5) to one (1) with Mr. Schoenfeld dissenting.*

Vice-President Flamer moved to disband the Ad Hoc Communications Committee, as it has completed its task. Seconded by Mr. Schoenfeld. *The motion passed unanimously by a vote of six (6) to zero (0).*

COMMITTEE REPORTS

Vice-President Flamer noted that the committee reports were included in the board packet for review and comment.

Mr. Paprocki reported that the Spring Fling is scheduled for April 17. He also provided information on the May 14 Health Fair.

Mr. Schoenfeld moved that the board accept the committee reports as presented. Seconded by Ms. Condon. *The motion passed unanimously by a vote of six (6) to zero (0).*

DISCUSSION/NEW BUSINESS

Mr. Paprocki pointed out that the board packet included a letter from a Timarron resident, asking that they be allowed to choose their own individual landscapers. Timarron's Tract Declaration requires the association to provide landscape service in Timarron for an added monthly fee. To amend the Tract Declaration, the residents must hold an election with a majority voting for the change. A previous survey and election did not produce enough votes for passage. Further discussion yielded a consensus that there should be another election, with the cost charged to Timarron. This must be initiated by Timarron residents who then go door-to-door to solicit the votes needed.

ADJOURNMENT

The board meeting, being duly moved and seconded, adjourned at approximately 6:40 p.m.

**STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
APRIL 28, 2011**

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

ABSENT: Lori Condon, Director

STAFF: Larry Paprocki, Director
Nora Walker, Staff

CALL TO ORDER

President Chuck Murphy called the meeting of the Stonegate Community Association Board of Directors to order at 6:00 p.m., noting the presence of a quorum.

ELECTION OF BOARD OFFICERS

Chuck Murphy nominated Mike Flamer as President of the Board of Directors. Seconded by Mr. Jim Murphy. *Unanimously approved by a vote of six (6) to (0).*

Mr. Friedman nominated Jim Murphy as Vice-President of the Board of Directors. Seconded by Mr. Chuck Murphy. *Unanimously approved by a vote of six (6) to (0).*

President Flamer nominated Doug Schoenfeld as Treasurer of the Board of Directors. Seconded by Mr. Jim Murphy. *Unanimously approved by a vote of six (6) to (0).*

President Flamer nominated Ed Katz as Secretary of the Board of Directors. Seconded by Mr. Friedman. *Unanimously approved by a vote of six (6) to (0).*

MINUTES

Board Meeting (March 24, 2011)

Mr. Schoenfeld moved that the board approve the March 24, 2011 meeting minutes as presented. Seconded by Mr. Chuck Murphy. *The motion passed unanimously by a vote of six (6) to zero (0).*

Annual Meeting (March 24, 2011)

Mr. Katz moved that the board approve the March 24, 2011 Annual Meeting minutes as presented. Seconded by Mr. Schoenfeld. *The motion passed unanimously by a vote of six (6) to zero (0).*

TREASURER'S REPORT

Mr. Schoenfeld presented the Treasurer's report per the Director's packet. He reviewed the Association financial statements, as prepared by Association staff, for the period ending February 28, 2011 and March 31, 2011. Mr. Schoenfeld responded to questions and comments from the board members regarding the financials.

In response to a question from Mr. Friedman, Mr. Schoenfeld provided information on the Investment Policy that was adopted by a previous board. He also discussed investment performance.

President Flamer stated that most of the investments are very conservative. Board members interested in investments may want to join the Finance Committee. Mr. Paprocki advised the members of the board quorum requirements, explaining that each committee can include only three board members. If more are present, the committee meeting becomes a board meeting. He will provide the new board members with a copy of the Investment Policy.

It was moved and seconded that the board accept the financial as presented, and the Treasurer's Report as submitted. *The motion passed unanimously by a vote of six (6) to zero (0).*

EXECUTIVE DIRECTOR'S REPORT

Vacant Lot

Mr. Paprocki reported that a Tradewinds property owner has inquired whether the Community Association would be interested in selling the vacant lot adjacent to the Community Center. His property abuts the vacant lot.

Discussion ensued. The unanimous consensus of the board was to keep the property. There have been some good ideas proposed and studied for the vacant lot, although none was adopted. No one wanted to close the door to the possibilities.

Delinquent Assessment

Mr. Paprocki is requesting authorization to accelerate the remaining year's assessments on 13 homeowners' accounts, and to file complaints with the court to obtain judgments. Then the Community Association can proceed in collections as it has in the past. He

responded to questions regarding the delinquent assessments, providing historical information about judgments the Association has collected on.

Mr. Paprocki reported that typically, delinquent residents respond when access devices are shut off. However, some of the residents who are not paying assessments are part-timers. Shutting off devices isn't a problem to them until they come back to town. Another problem occurs when they borrow a neighbor's access device and program it into their cars. He recommended that the board implement a policy regarding improper use of access devices, including cloning someone else's.

Mr. Schoenfeld suggested moving forward with this request. (No action was taken.) However, before taking action we should first send a letter to the delinquent homeowner explaining that accounts can be accelerated, requiring them to pay in full for the year. He suggested that we first give them a deadline to bring the account current. Mr. Paprocki also suggested that if the resident enters into a payment schedule, they waive their right to a defense.

GLO Easements

Mr. Paprocki reported that the Scottsdale City Council will hear the city staff's application to abandon the GLO easements within Stonegate on Tuesday, May 3 at 5:00 p.m. The City Planning Commission already voted 5-0, recommending abandonment. A Scottsdale resident who doesn't live in Stonegate opposes this action. He has requested that the matter to be removed from the consent agenda. Don Hadder, City of Scottsdale, indicated that he has received a hundred emails and letters from our homeowners, supporting the abandonment. He is planning to attend this meeting and will speak if necessary. President Flamer and Mr. Katz agreed to join him at the City Council meeting.

Equestrian Trial

Mr. Paprocki doubted whether the City of Scottsdale would complete the needed improvements to the equestrian trail this year. Plan continue to change. Most of the vegetation between the wall and the SRPMIC fence has been removed. Still, due to the slope in some areas, the trial is difficult to walk. A tractor with a gannon could reduce the slope, making the trail usable now, despite the city's inaction.

Mr. Paprocki reported that some homeowners are still walking on the south side of the new fence. The SRMIC can cite them for trespassing.

Mr. Paprocki reported that the Finance Committee recommends that we not accept the city's offer of salvaged trees. The costs would be more than the value of the trees.

Mr. Chuck Murphy moved that the board authorize the Executive Director to spend \$2,000, to rent a tractor/gannon to improve the trail behind Stonegate. Seconded by Mr. Friedman.

Mr. Schoenfeld noted that the Association is spending \$2,000 for something that we have already paid taxes for. While this may be a political issue, he felt that the homeowners association is being taken advantage of.

President Flamer stated that many homeowners walk year-round on this trail. He considers it an amenity for the community, like the tennis courts or pool. Mr. Schoenfeld agreed that this is the right thing to do.

Mr. Flamer called for the vote. *The motion passed by a vote of six (5) to zero (1), with Mr. Jim Murphy opposing.*

Timarron landscaping

Mr. Paprocki reported that the Physical Property Committee recommended elimination of Timarron landscaping services currently provided by Gothic Landscaping. The committee felt that landscaping should be done by the homeowners, as in other subdivisions. There were too many complaints to continue with the current landscape company.

Mr. Paprocki discussed Timarron's tract declaration, which requires the association to provide landscape service. To amend the tract declaration, homeowners must hold another election with 67% of the 53 homes endorsing the change. In past elections, not all properties voted, so the required number of votes was not reached.

The board discussed a letter from a Timarron resident, asking that they be allowed to choose their own landscapers. The board agreed that another election would be in order, but it must be handled by the Timarron residents. The board would encourage them to form a committee and perhaps go door to door to solicit the votes needed. Timarron homeowners should bear the cost of the election.

Other items:

The Cox contract now extends to the end of 2012, with possible extension into 2013. The contract exactly reflects the recommendations of our Ad Hoc Cox Contract Committee.

Stonegate received a Perfect Safety Record certificate for 2010 from SCF Arizona.

Spring Fling was a huge success, drawing in excess of 450 people. They consumed all of the 920 hamburgers by 1:30 p.m. – plus most of the 672 hot dogs. Mr. Paprocki felt that the food order was correct.

Mr. Paprocki is working with Buddy Hughes of Hughes Asset Management to update the Reserve Study numbers.

The memorial bench honoring Bob Kagel is in place, as is the bronze plaque.

ACTION ITEMS

APS/Accel Electric Lighting Retrofit

President Flamer reported that the Physical Property Committee, Conservation Committee and Finance Committee request board approval of APS/Accel Electric Lighting Retrofit & Energy Conservation Program. Mr. Schoenfeld took exception: the Finance Committee discussed it but did not advocate adopting it.

Mr. Paprocki reported that this APS rebate program would provide for low-energy LED fixtures throughout Stonegate, including the parking lot, recreational area and landscape lighting throughout the community. While the initial phase would involve an investment (loan repayment) of \$1,047 per month, savings on our APS bill after repayment (60 months) were predicted to be \$2,618 per month. Our landscape lighting fixtures are old and our capabilities are limited by the capacity of the installed wiring. This proposal deals with both problems and saves money:

Total project cost	\$217,733.
APS rebate	\$ 32,352.
Loan size (6.93%)	\$185,381.

The board discussed this requested action at some length. President Flamer felt this request was premature. Mr. Paprocki agreed to have the consultant present at a future meeting, to answer questions. After the meeting, board members can go out to the pool area to look at an 11 watt LED landscape lighting test installation.

COMMITTEE REPORTS

President Flamer noted that the committee reports were included in the board packet for review and comment.

ADJOURNMENT

It being duly moved and seconded, the board meeting was adjourned at approximately 7:30 p.m.

STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
MAY 26, 2011

PRESENT: Doug Schoenfeld, Treasurer
Ed Katz, Secretary
Lori Condon, Director
Gary Friedman, Director
Chuck Murphy, Director

ABSENT: Mike Flamer, President
Jim Murphy, Vice-President

STAFF: Larry Paprocki, Director
Javier Alejandro, Supervisor

CALL TO ORDER

Mr. Schoenfeld called the meeting of the Stonegate Community Association Board of Directors to order at 6:00 p.m., noting the presence of a quorum.

RESIDENT FORUM

No residents came forward to speak.

MINUTES

April 28, 2011

Mr. Chuck Murphy moved that the board approve the April 28, 2011 meeting minutes as presented. Seconded by Mr. Katz. *The motion passed unanimously by a vote of five (5) to zero (0).*

TREASURER'S REPORT

Mr. Schoenfeld presented the Treasurer's Report, per the board packet. He reviewed the association's financial statements, as prepared by association staff for the period ending April 30, 2011.

Mr. Schoenfeld reported that the balance sheet and the investment schedule were included in the board packet along with the updated Reserve Study. The Finance Committee and Physical Property Committee will hold a joint meeting to go over the Reserve Study.

Mr. Schoenfeld responded to questions and comments from the board members regarding the financials.

In response to a question from Mr. Friedman, Mr. Schoenfeld discussed the Investment Policy adopted by a previous board, and talked about individual investment performance. Mr. Friedman asked whether the Investment Policy was satisfactory as stated. Mr. Schoenfeld explained that there was no indication of a need to change, but the Finance Committee would welcome any recommendations.

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 five (5) to zero (0).*

Mr. Paprocki provided updates on the following topics:

- Delinquent Assessments
- Financial effects of bankruptcies and short sales
- Costs of abandoned property

Mr. Paprocki reported that typically, delinquent residents respond when access devices are shut off. However, some of the residents who are not paying assessments are part-timers. Shutting off devices is not a problem to them until they're back to town. At the last meeting, the board authorized him to accelerate the remaining year's assessment on 13 homeowners' accounts, and to file for legal judgments as needed. He is in the process of drafting 11 complaints. Two homeowners have come in and set payment schedules.

EXECUTIVE DIRECTOR'S REPORT

Equestrian trail

Mr. Paprocki reported that the work to improve Stonegate's section of the trail by renting a tractor with a Gannon is complete.

Mr. Paprocki reported the Finance Committee recommends that we not accept the city's offer of salvaged trees. The costs would be more than the value of the trees.

Timarron landscaping

Mr. Paprocki stated there has been much discussion by the board and Finance Committee regarding the Timarron landscaping contract. There have been too many complaints to

continue with the current landscaping company. Two companies have presented identical bids.

Timarron's tract declaration requires the Stonegate Community Association to provide landscape service. To amend the tract declaration, homeowners must hold another election with 67% of the 53 homes endorsing the change. In past elections, not all properties voted, so the required number of votes was not reached.

The Board discussed a letter from a Timarron resident, asking that they be allowed to choose their own landscapers. The Board agreed that another election would be in order, but it must be handled by the Timarron residents.

Events update

Mr. Paprocki reported that the Spring Fling was a successful event. Sponsors covered more than half of the cost.

Mr. Paprocki reported 140 to 150 people attended the Health and Wellness Fair held on May 14th. A second Health and Wellness Fair is scheduled for June 12.

On May 20, the Family Games and Movie under the Stars drew an enthusiastic crowd. The sponsor, Fitness Experience, provided hot dogs, icees, soft drinks, chips, an inflatable waterslide, karate lessons, a DJ, and trainers to run the games.

Mr. Paprocki reported on the teen behavior problems at the pool that resulted in calling the Scottsdale Police Department.

Changes in law

Mr. Paprocki reported that there have been changes by the state legislature to laws impacting homeowners associations. His overview included:

- Open meeting laws
- Rules regarding homeowners in violation
- Political signs
- For sale signs
- Flag displays
- Property transfer fees
- Door-to-door solicitation (cannot be restricted)

Mr. Paprocki responded to questions and comments from the board regarding the legislative developments.

Mr. Friedman wanted to know whether the board packet is open to the public. Mr. Paprocki replied that information (such as minutes) is public only after being approved by the board.

Mr. Chuck Murphy noted that the architectural guidelines and CC&Rs need to be amended to reflect the legislative changes.

COMMITTEE REPORTS

Mr. Schoenfeld noted that the committee reports were included in the board packet for review and comment. The board returned to discussion of legislative changes, particularly those relating to committee reports.

DISCUSSION/NEW BUSINESS

Mr. Katz asked that the July Board of Directors meeting be held on the fourth Wednesday (July 27). Mr. Chuck Murphy requested that before the decision is made, staff should poll all board members to determine availability.

ADJOURNMENT

It being duly moved and seconded, the board meeting adjourned at approximately 7:45 p.m.

**STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
JUNE 23, 2011**

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

STAFF: Larry Paprocki, Director
Nora Walker, Staff

CALL TO ORDER

President Flamer called the meeting of the Stonegate Community Association Board of Directors to order at 6:05 p.m., noting the presence of a quorum.

MINUTES

May 26, 2011

Mr. Katz moved that the board approve the May 26, 2011 meeting minutes as presented. Seconded by Mr. Chuck Murphy. *The motion passed unanimously by a vote of seven (7) to zero (0).*

RESIDENTS' FORUM

No residents were present.

Mr. Friedman questioned whether residents were aware that they have the opportunity to speak at these meetings. President Flamer felt strongly that they were aware because the Residents' Forum is always part of the agenda. Anyone who has seen the meetings on TV knows about Residents' Forum. Ms. Condon stated that when questions come up, Mr. Paprocki advises residents to come ask them at the monthly board meetings.

TREASURER'S REPORT

Mr. Schoenfeld presented the Treasurer's report, per the directors' packet. He reviewed the association financial statements prepared by staff for the period ending May 31, 2011. Mr. Schoenfeld responded to questions and comments from the board members regarding the financials.

Mr. Schoenfeld provided a brief overview of the Reserve Study: Draft/5 Year Estimated Expenditures Report. The biggest item is the pavement.

Mr. Schoenfeld reported that the Finance Committee and the Physical Property Committee will review this draft, making recommendations to the board.

Mr. Schoenfeld reported that the Finance Committee is investigating check scanners. A scanner would replace the current bank lock-box procedures.

In response to a request from Mr. Friedman, Mr. Schoenfeld will email the stock symbols for the funds where Stonegate money is invested to the board members.

Mr. Chuck Murphy moved to accept the financial as presented and the Treasurer's Report as submitted. Seconded by Mr. Friedman. *The motion passed unanimously by a vote of seven (7) to zero (0).*

EXECUTIVE DIRECTOR'S REPORT

Implementation of Open Meeting Changes in Law

Mr. Paprocki reported that due to changes in Arizona Statutes, Stonegate must broaden its rules governing residents' input on board agenda items. He discussed the options. The board agreed on the following order of business, which is similar to that used by the City of Scottsdale:

Report
Resident input
Board discussion
Motion
Board vote

Mr. Chuck Murphy moved that the board accept the new order of business, which complies with legislation providing resident participation at board meetings. Seconded by Mr. Katz. *The motion passed unanimously by a vote of seven (7) to zero (0).*

Mr. Friedman asked where this procedure would be reflected. Mr. Paprocki replied that it will be on the website and incorporated into the agenda. Members

discussed other ways in which residents can learn about impending board meetings, such as posters at the mailboxes.

Group Health Benefits

Mr. Paprocki has asked the Cambria Group to bid out Stonegate's benefit package, due to a 25 percent increase proposed by United Health. Cambria will provide the results of the bidding process, which will be reviewed by the Finance Committee at its next meeting.

Mr. Friedman asked about the possibility of an increase in employee participation. President Flamer stated that this will be a decision for the board to make when the bids are back. Mr. Paprocki said that this will be presented at the next Finance Committee meeting.

Waste Management Contract Amended

Mr. Paprocki reported that after meeting with a Waste Management representative, they reduced the rate per pull of the dumpster and to fix the fuel surcharge rate. This will yield immediate savings of approximately \$240 - \$300 per month on a 12 month contract.

Timarron Landscaping

Mr. Paprocki reported that Gothic Landscape has been replaced by Paramount Landscape. Residents of Timarron have been notified of the change.

Residents wishing to amend the tract declaration landscape requirement will canvas their community as part of a special election, with results announced at the 2012 Annual Meeting.

LED Lighting

Mr. Paprocki reminded the board of a work session scheduled for next Monday, June 27 at 11:00 a.m. The board will meet contractors working under an APS plan promoting low energy LED lighting.

Mr. Friedman was concerned that they would meet with only one contractor. Mr. Paprocki explained that this is a public utility program, with approved contractors who work within its guidelines. President Flamer noted that the purpose of the meeting is to gain information. If the idea is promising, they can invite other approved contractors to make presentations.

Architectural Guidelines Revision: Desert Landscaping

Mr. Paprocki discussed the Architectural Committee's request for a change to its guidelines regarding turf, desert landscaping, and maintenance requirements. Existing guidelines do not give adequate direction to an increasing number of homeowners wanting to convert their front yards from turf to a more natural desert look.

The Architectural Guidelines in their present form do not address landscape maintenance in conceptual terms. They deal in larger part with developer issues which are no longer relevant. Section 4.2, the primary text for landscape issues, specifically addresses Landscaping Submittals. It needs to expand to include both of these issues.

Better clarity, plus guidelines for desert landscaping, would be achieved with the complete revision of Section 4.2 of the Architectural Guidelines being offered.

Mr. Friedman pointed out that the Architectural Committee has invested much time on this subject. They do not want the community to look dated. There should be guidelines in place in the event that the government requires water conservation. Stonegate already has some beautiful examples of xeriscaping, and provisions in the proposed guideline would ensure that changes to desert landscaping are attractive.

Ms. Condon took issue. She likes the lush green look of the community. Water conservation can be accomplished through proper irrigation.

President Flamer asked whether the new guidelines provided controls to ensure that the community remains attractive. Mr. Katz questioned whether the Architectural Committee has the expertise to understand these types of plans.

Mr. Schoenfeld said that his neighborhood, Mountain View Estates, has the largest front yards. He would be very unhappy if his neighbors replaced their lawns with desert landscaping.

The board discussed the proposed guideline changes and their impact at some length. President Flamer expressed his concern that the uniformity and feel of the neighborhoods would be lost if these guidelines were approved.

Mr. Jim Murphy moved to table further discussion and the vote on the Architectural Guidelines Revision until the next board meeting, to allow further study. Seconded by Mr. Schoenfeld.

Mr. Chuck Murphy asked that the motion be amended, to table this item for two months. Mr. Jim Murphy and Mr. Schoenfeld agreed to the amendment to the

motion. *The motion passed by a vote of five (5) to two (2) with Mr. Katz and Mr. Friedman dissenting.*

Bookkeeper

Mr. Paprocki reported that Jane Keever's last day of work will be July 15. He wishes her well in her future endeavors. He has informed the Board President and Treasurer, and has begun a search for a replacement. Several resumes have already come in. He will schedule interviews next week.

ACTION ITEMS

Committee Memberships 2011-12

President Flamer requested the Board approve the Committee Memberships for this year. With a few special exceptions, the names of board members have been removed. Mr. Chuck Murphy corrected the list: Lee Secrest lives in Regent.

President Flamer invited the homeowners who are interested in joining or finding out more about the committees to contact Mr. Paprocki.

Mr. Schoenfeld moved that the board approve the Committee Memberships List for this year. Seconded by Mr. Katz. *The motion passed unanimously by a vote of seven (7) to zero (0).*

Mr. Chuck Murphy noted that the Nomination and Election Committee needs a certain number of members at certain times throughout the year. Currently there are four members. In October they will need seven.

COMMITTEE REPORTS

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

DISCUSSION/NEW BUSINESS

In response to a question by Mr. Friedman, President Flamer outlined the procedure for a board member to request that an item be placed on the agenda.

ADJOURNMENT

It being duly moved and seconded, the meeting adjourned at approximately 7:30 p.m.

**STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
JULY 27, 2011**

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

ABSENT: Chuck Murphy, Director
Jim Murphy, Director

STAFF: Larry Paprocki, Director
Nora Walker, Staff

CALL TO ORDER

President Flamer called the meeting of the Stonegate Community Association Board of Directors to order at 6:03 p.m., noting the presence of a quorum.

RESIDENTS FORUM

No residents were present.

President Flamer noted that homeowners are permitted to speak once for up to three minutes on each topic being considered, as the meeting progresses. They may participate only until the motion is made.

MINUTES

June 23, 2011

Mr. Friedman moved that the board approve the June 23, 2011 meeting minutes as presented. Seconded by Mr. Katz. *The motion passed unanimously by a vote of five (5) to zero (0).*

TREASURER'S REPORT

Mr. Schoenfeld presented the Treasurer's Report as per the directors' packet. He reviewed the association financial statements, as prepared by association staff, for the periods ending June 30, 2011. He responded to questions and comments from the board members.

Mr. Schoenfeld reported that the finance committee discussed the following: current investment policy, homeowner delinquencies, reserve funding, employee medical benefits, 2011 reserve projects, and the APS proposal to replace Stonegate's old landscape lighting with LED technology.

Mr. Paprocki provided an update on the homeowner delinquencies and efforts to collect on past due assessments and bank fees. He responded to questions and comments from the board members regarding delinquencies.

In response to a question from Mr. Friedman, Mr. Paprocki reported that the bad debt write-offs are minimal.

Ms. Condon moved to accept the financials as presented and the Treasurer's Report as submitted. Seconded by Mr. Katz. *The motion passed unanimously by a vote of five (5) to zero (0).*

Mr. Paprocki provided an overview of the Stonegate Community Association 2011 Reserve Projects. He provided estimates on individual project costs, and asked that the board approve the 2011 Reserve Projects List.

Mr. Schoenfeld moved to accept the 2011 Reserve Projects List. Seconded by Mr. Friedman. *The motion passed unanimously by a vote of five (5) to zero (0).*

EXECUTIVE DIRECTOR'S REPORT

Accounting Department

Mr. Paprocki reported that Joan Cheng is Stonegate's new full-charge bookkeeper. She has a degree in Administrative Accounting.

Saddleback Lot 8

Mr. Paprocki reported that Saddleback Lot 8 has experienced sewer back-ups over the years. The owner had the line scoped and found that the lateral to her house was disconnected from the main line.

Several years ago, the City of Scottsdale changed its ordinance regarding sewer repairs. The city now maintains only the main sewer line, not the laterals. They are the responsibility of the property owner. A condominium association could be seen as responsible, but a planned community should not be, since the lateral is for the exclusive use of one property and is not a common element.

The Saddleback homeowner contracted the repair of the lateral line and discovered that a section was never installed. The question was, then, one of responsibility. Mr. Paprocki advised the owner that the city was responsible for the line inspection. She will contact them.

Her attorney is reviewing the Plat and Stonegate's documents. Mr. Paprocki does not believe the Community Association has liability in the matter.

Equestrian Trail Update

Mr. Paprocki reported that the city is now salvaging selected native trees growing in the trail by boxing them. The remaining trees will be cut down. Due to the size of the boxes, the trail is completely impassable in several areas.

Scanner Update

Mr. Paprocki reported that a new check scanner is now in use in accounting, to deposit checks more efficiently. Scanned checks will be destroyed after 45 days. Images of the checks are placed in the homeowners' accounts. Past problems with the lock box required many staff hours to correct.

Money Market Account

Mr. Paprocki reported that high balances have occurred in our checking account. Opening a money market account would allow the transfer of operating money so interest can be earned.

APS Lighting Project

Mr. Paprocki provided an update on the APS lighting project. LED light bulbs were provided for use on a trial basis. The contractor is willing to provide bulbs at a reduced rate. He has spoken with commercial managers who have used the APS program and the same contractor. They indicated a very favorable outcome. The contractor was efficient in completing their retro-fit. He also spoke with APS, who acknowledged David Hayes, Accel Electric as a top contractor in their program with no complaints received.

Mr. Friedman noted that according to the APS website, the rebate expires on August 14. He questioned whether Stonegate needed to use the list of APS approved contractors as long as the contractor meets the minimum standards. There could be significant price differences.

Mr. Paprocki reported the rebate application has already been submitted to APS and we are eligible to get all new lighting in the Community Center.

Ms. Condon commented regarding the color of the lights: she prefers the warm glow of the incandescent lights, particularly for the street lighting in the communities. She inquired when the LED lights would be cost effective. President Flamer replied that the return on investment should be four years or less.

Mr. Paprocki responded to questions and comments from the board members about the proposed APS project. The cost of the bulbs is expected to increase due to increased demand and materials costs.

The board directed Mr. Paprocki to inquire about the rebate program, get a list of vendors, and a new quote on the LED lights.

ACTION ITEMS

Group Medical Benefits

President Flamer introduced the Executive Director's request for approval of the Medical Benefits proposal supplied by The Cambria Group, for The Premium Saver Plan from Health Net and Monitor Life.

Mr. Paprocki explained that under our current coverage, the out of pocket potential is \$2500. This plan brings that figure down to \$1400 including the deductible, with 90 percent coinsurance. He responded to questions regarding the medical benefits.

Mr. Schoenfeld moved to approve Medical Benefits proposal supplied by The Cambria Group, for The Premium Saver Plan from HealthNet and Monitor Life. Seconded by Mr. Katz. *The motion passed unanimously by a vote of five (5) to zero (0).*

Ice Maker Replacement

President Flamer introduced the Executive Director's request for the purchase of a commercial-type ice maker with a large storage bin, for use in the maintenance facility where it will make ice for the water jugs used by our crews. This replacement for our 8-year-old ice machine is an unbudgeted reserve item.

Mr. Paprocki explained that we need an icemaker which can make and store more than 300 lbs of ice per day. The cost with tax should be approximately \$3200.00.

Ms. Condon moved to approve the purchase of a commercial type ice as described above. Seconded by Mr. Friedman. *The motion passed unanimously by a vote of five (5) to zero (0).*

Reserve Project Authorizations:

Three Replacement Pool Heaters

President Flamer introduced the Executive Director's request for purchase and installation of three new heaters. The heaters have a two-year warranty.

Mr. Katz moved to approve for the purchase and installation of three new heaters. *The motion passed unanimously by a vote of five (5) to zero (0).*

Another Kawasaki Mule

President Flamer introduced the Executive Director's request for purchase of another Kawasaki mule similar to the one we now use. This utility vehicle has enough power and tow

capacity to get in and out of the washes. It can carry four men, but has a bed extension feature which allows it to carry two men and a lot more cargo. The cost is about \$11,000 new. However, we will look for a lightly-used Mule.

Mr. Schoenfeld moved to approve purchase of a Kawasaki Mule. Seconded by Mr. Katz. *The motion passed unanimously by a vote of five (5) to zero (0).*

Mid-size 4- or 6-Cylinder Truck

President Flamer introduced the Executive Director's request for purchase of a mid-size 6-cylinder truck, such as the Ford Ranger or Chevy Colorado. The truck would be new or lightly used.

Mr. Paprocki felt that the truck we need should be available for about \$20,000, based on internet pricing information.

Ms. Condon moved to approve to purchase a mid-size 6-cylinder truck, such as the Ford Ranger or Chevy Colorado. Seconded by Mr. Katz. *The motion passed unanimously by a vote of five (5) to zero (0).*

COMMITTEE REPORTS

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

DISCUSSION/NEW BUSINESS

Mr. Friedman discussed the cost of water for green grass, and Architectural Guideline Section 4.2 requiring 25% front-yard turf or green groundcover on each property. He sees this as generally unpopular. (A revision of Section 4.2, clarify desert landscaping requirements, was introduced in June and tabled for August consideration.)

Mr. Katz asked that the board revise the tabling decision on the Architectural Guidelines Section 4.2 revision. He would like to reschedule it for the September meeting, since he will be out of town in August. President Flamer advised Mr. Katz that he could participate by telephone.

ADJOURNMENT

It being duly moved and seconded, the board meeting adjourned at approximately 8:07 p.m.

The next meeting will be Wednesday, August 24 instead of the regular Thursday meeting.

**STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
AUGUST 24, 2011**

PRESENT: Mike Flamer, President
Doug Schoenfeld, Treasurer
Lori Condon, Director
Gary Friedman, Director
Chuck Murphy, Director
Jim Murphy, Director

ABSENT: Ed Katz, Secretary

STAFF: Larry Paprocki, Executive Director
Nora Walker, 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.

RESIDENTS FORUM

No residents were present.

President Flamer noted that homeowners are permitted to speak once, for up to three minutes, on each topic being considered, as the meeting progresses. They may participate only until the motion is made.

MINUTES

July 27, 2011

Mr. Schoenfeld moved that the Board approve the July 27, 2011 meeting minutes as presented. Seconded by Ms. Condon. *The motion passed unanimously by a vote of six (6) to zero (0).*

TREASURER'S REPORT

Mr. Schoenfeld presented the Treasurer's Report as presented in the directors' packet. He reviewed the Association financial statements, as prepared by Association staff, for

the period ending July 31, 2011. He responded to questions and comments from the board members regarding the financials.

Mr. Paprocki provided an update on the homeowner delinquencies and efforts to collect on past due assessments and bank fees. He responded to questions and comments regarding delinquencies.

Discussion was held regarding transfer fees.

Mr. Chuck Murphy moved to accept the financials as presented and the Treasurer's Report as submitted. Seconded by Mr. Friedman. *The motion passed unanimously by a vote of six (6) to zero (0).*

EXECUTIVE DIRECTOR'S REPORT

Reserve Purchases

Mr. Paprocki reported that the 2011 Reserve Expenses Report now includes the purchase of a new ice maker and two vehicles, a Ford Ranger and a Kawasaki Mule, which had been approved by the board. All purchases were below the approved dollar amount. Bids are being obtained on three replacement pool heaters, tennis courts repairs and resurfacing, and painting projects.

2012 Operating Budget Schedule

Mr. Paprocki reported that he is developing the 2012 operating budget draft, which will be presented to the Finance Committee at its September meeting. After the committee's review, a joint meeting will be scheduled in October to answer any board questions. Approval by the November board meeting will allow ample time to notify the membership of any changes.

Winter Turf Transition Schedule

Mr. Paprocki discussed the work involved in winter turf transition, which begins the week of September 5. Water schedules will be cut back, and during that time, the irrigation system will be thoroughly checked. Scalping begins September 19. Overseeding schedules are based on expected evening temperatures.

Group Health Benefits Transition

Mr. Paprocki reported that the new health insurance carrier approved by the board begins September 1. The final premium was slightly reduced. He answered questions regarding the health benefits to staff.

APS Lighting Project

Mr. Paprocki reported that two additional APS approved contractors have been contacted. Fixtures are also being reviewed.

In response to a question from Ms. Condon, Mr. Paprocki discussed the reasons why CFL lighting has not been considered for the landscape lighting project.

Ms. Condon shared the information she had gathered from her research on CFL technology. Discussion ensued. The consensus was to have a test area with CFL bulbs side by side with LED bulbs, so everyone can see the difference. The board felt that the Physical Property Committee should be asked to consider the issue.

ACTION ITEMS

Committee Member Appointment

President Flamer introduced the Finance Committee's request that the board approve Cary Weissman as a member.

Mr. Schoenfeld moved that the board appoint Cary Wiessman to the Finance Committee. Seconded by Mr. Chuck Murphy. *The motion passed unanimously by a vote of six (6) to zero (0).*

Tabled revision of Architectural Guidelines: Desert Landscaping.

President Flamer noted that the Architectural Committee had requested board approval for replacement of Section 4.2 in the Architectural Guidelines, which requires that 25% of the front yard be planted in turf or a year-round green groundcover. The subject was tabled at an earlier meeting. Although it is on the agenda, the Executive Director has asked that it be tabled again.

Mr. Paprocki explained that the current revision contains inconsistencies, and some design elements were not addressed. He suggested a complete re-write. He discussed what should be included in the re-write and responded to questions and comments.

Mr. Friedman withdrew his original motion.

After speaking with Mr. Friedman, Ms. Condon said that she now understands his concern that Stonegate residents might not be aware of the landscaping choices available to them. Mr. Friedman is also concerned about conserving water.

Mr. Chuck Murphy emphasized the importance of hearing from the committees before unilaterally approving documents. He felt that the Conservation Committee should

review this document to address the water conservation issue, and the Rules and Regulations Committee should look at it also, to ensure its consistency with the CC&Rs.

COMMITTEE REPORTS

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

DISCUSSION/NEW BUSINESS

Mr. Friedman brought up the perception held by some residents that the same people continue to serve on the board. Recruiting new board and committee members is important.

President Flamer observed that, in general, new people get involved when they feel a need for change. A better recruiting job to solicit new candidates could help. Mr. Chuck Murphy pointed out that recruiting candidates is a function of the Nomination and Election Committee and hoped that they would do so energetically. Residents he has talked to are happy with how the community is maintained and operated.

President Flamer said that he had invited Congressman David Schweikert to speak to the community. The proposed date is October 15 at 9:00 AM. The event would be held at the Community Center, or possibly even the main ramada, with refreshments provided. This would not be a political event because it is not an election year. Mr. Paprocki estimated that the cost for refreshments would be approximately \$200.00.

The board discussed the invitation and the fact that politically, both sides would not be represented. They agreed that this should be sent to the Social/Recreation Committee for their consideration.

Mr. Friedman moved that the Board approve the invitation to Congressman Schweikert. Seconded by Mr. Schoenfeld. *The motion passed unanimously by a vote of six (6) to zero (0).*

ADJOURNMENT

It being duly moved and seconded, the board adjourned at approximately 7:30 p.m.

**STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
SEPTEMBER 22, 2011**

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
Nora Walker, 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.

RESIDENTS FORUM

President Flamer noted that homeowners are permitted to speak once for up to three minutes on each topic being considered, as the meeting progresses. They may participate only until the motion is made.

No residents were present.

MINUTES

August 25, 2011

Mr. Katz moved that the board approve the August 25, 2011 meeting minutes as presented. Seconded by Mr. Schoenfeld. *The motion passed unanimously by a vote of six (6) to zero (0).*

TREASURER'S REPORT

Mr. Schoenfeld presented the Treasurer's report, per the directors' packet. He reviewed the association financial statements, as prepared by association staff, for the period ending August 31, 2011. He responded to questions and comments from the board members regarding the financials.

Mr. Katz asked about the Finance Committee's recommendation that a Roadways Renovation Committee be appointed, since this is a physical property issue. Mr. Schoenfeld explained that we should have a group dedicated to this particular issue. Roadways are the biggest expense in the Reserve Study's projections. This is an opportunity for the Association to use the professional expertise of its residents.

Mr. Paprocki noted that an ad hoc roadways committee had been created a few years ago. Involvement in an ad hoc committee appeals to residents who might not volunteer for a standing committee. An ad hoc committee requires participation is for a shorter period of time, to study one issue and make a recommendation to the board.

The group discussed the importance of roadway maintenance. Stonegate has done well maintaining its roads. They don't show the deterioration seen in other communities.

Mr. Chuck Murphy moved to accept the financial as presented and the Treasurer's Report as submitted. Seconded by Mr. Jim Murphy. *The motion passed unanimously by a vote of six (6) to zero (0).*

EXECUTIVE DIRECTOR'S REPORT

Lender Request

Mr. Paprocki discussed correspondence received from Aurora Bank, requesting a reduction in the property transfer payment. The Finance Committee looked at this and recommended denying the request.

The board discussed how to make an appropriate response to the request. The consensus was that the Executive Director should advise the lender of the denial.

Recreational Area Police Reports

Mr. Paprocki reported that in the last 60 days there have been two incidents where Scottsdale Police Department removed under-age residents, in handcuffs, from the recreational area. Both involved narcotics. The Scottsdale Police Department is also looking for information on teenage boys riding dirt bikes.

Halloween

Mr. Paprocki reported that Halloween falls on a Monday this year -- a school night. He recommended that Trick or Treating end at 8:30 p.m. Again this year, he has arranged for Scottsdale off-duty Police officers to patrol the community from 5:30 to 9:30 p.m. We will send a community email on this. As in the past years, the Retreat Gate will close at 5:00 pm and re-open at about 9:00 p.m. Extra Safeguard gate personnel will work at main gate, east gate and Retreat gate. The Community Association will ask parents of middle school and high school age children to discuss these plans with their kids. Stonegate's Halloween activities should end at 9:00 p.m., as in previous years.

Equestrian Trail Plans

Mr. Paprocki reported that he received a 90% completion plan from the city. The plans were presented to the Architectural Committee at its Wednesday, September 21 meeting. The tree salvage, now complete, reversed some of the work Stonegate had done on the trail, so he sent a crew out to restore it. This work was completed in less than a day.

Pool Repairs Schedule

Mr. Paprocki reported that on Monday, October 3, we will drain the pool. On Tuesday, Wednesday and Thursday, our contractor will complete the surface repairs and acid wash the pool. Refilling will begin Thursday and finish on Friday. New pool heaters will be installed next week.

Update: APS LED Lighting

Mr. Paprocki reported outdoor CFL bulbs have been purchased for a test area. Several comparison sites will be chosen. One side of the entry will be CFL and the other LED. He further reported he is waiting to receive other bids.

Mr. Paprocki responded to questions and comments from board members about lighting and proposed test area.

Qwest/Century Link APS Main Gate

Mr. Paprocki reported that the telephone line repair has been completed. The dig hit an APS power line, damaging a meter and the main gatehouse air conditioning unit. He will submit the repairs and labor cost for reimbursement by Qwest/Century Link.

ACTION ITEMS

Painting Common Area Building

President Flamer introduced the Executive Director's request for painting to be done by Creative Man Painting: The Community Center's main building, main ramada, two smaller ramadas, bath house, main gate and east gate at a total cost of \$14,695. This is a reserve expenditure and is less than the Reserve Study's planned cost.

Mr. Chuck Murphy moved that the board approve painting of the Community Center main building, main ramada, two smaller ramadas, bath house, main gate and east gate. This will be done by Creative Man Painting at a total cost of \$14,695. Seconded by Mr. Katz. *The motion passed unanimously by a vote of six (6) to zero (0).*

Painting Window Frames

President Flamer introduced the Executive Director's request for painting to be done by Creative Man Painting: Door and window frames and muntins in the Community Center and two gate houses (main and east). These are currently teal and will be redone in Gainey Bronze (not Banister Brown) at a total cost of \$9,900. This is an unbudgeted Reserve Fund expense, approved by the Finance Committee.

Mr. Katz moved that the board approve painting door and window frames and muntins in the Community Center and two gate houses (main and east) in Gainey Bronze. The work will be done by Creative Man Painting at a total cost of \$9,900. Seconded by Mr. Chuck Murphy. Seconded by Mr. Katz. *The motion passed unanimously by a vote of six (6) to zero (0).*

Additional Members

President Flamer introduced the Nomination and Election Committee's request for appointment of Bob Gomez, Lynn Sykes and Cynthia Marcus to the committee. That brings them to the seven members specified in the By-Laws.

Mr. Chuck Murphy moved that the board appoint Bob Gomez, Lynn Sykes and Cynthia Marcus to the Nomination and Election Committee. Seconded by Mr. Schoenfeld. *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 review and comment.

ADJOURNMENT

It being duly moved and seconded, the meeting adjourned at approximately 7:00 p.m.

**STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
OCTOBER 27, 2011**

DRAFT 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
Nora Walker, 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.

RESIDENTS FORUM

No residents present.

President Flamer advised homeowners are permitted to speak once for up to three minutes on each topic being considered, as the meeting progresses. They may participate only until the motion is made.

MINUTES

**September 22, 2011 Board Meeting
October 20, 2011 Joint Meeting Board and the Finance Committee**

Mr. Katz moved that the Board approve the September 22, 2011 meeting minutes as presented. Seconded by Mr. Jim Murphy. *The motion passed unanimously by a vote of seven (7) to zero (0).*

Mr. Chuck Murphy moved that the Board approve the October 20, 2011 meeting minutes as presented. Seconded by Mr. Katz. *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 periods ending September 30 2011. He responded to questions and comments from the Board members regarding the financials.

Mr. Schoenfeld updated the board on the following items:

Accounts payable
Delinquency report
Year end projections

Ms. Condon 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).*

ACTION ITEMS

Accel Electric LED Proposal

President Flamer stated the Finance Committee, Physical Property Committee and Conservation Committee are requesting Board approval for lighting renovations proposed by Accel Electric, to replace our incandescent lighting with LEDS. The total cost of the project is \$48,746.18 (\$52,224.19 with Signed Express Solutions). After a rebate of more than \$26,160.11, our co-pay would be \$26,160.11. After considering the savings from reduced electric bills, the project would pay for itself in less than 14 months.

Mr. Schoenfeld moved the Board approve for lighting renovations proposed by Accel Electric, to replace our incandescent lighting with LEDS. The total cost of the project is \$48,746.18 (\$52,224.19 with Signed Express Solutions). After a rebate of more than \$26,160.11, our co-pay would be \$26,160.11. Seconded by Ms. Condon.

In response to a question from Ms. Condon, Mr. Gratton provided information regarding why the original quote was higher. He stated that they are two completely different proposals. He outlined the differences between the proposals. He also provided information on the brand new items that are on the market that were not when the original proposal was submitted.

Mr. Gratton responded to questions and comments from the Board members regarding the proposal.

The motion passed unanimously by a vote of seven (7) to zero (0).

2012 BUDGET

Ms. Condon moved to approve the 2012 Budget. Seconded by Mr. Katz.

Mr. Schoenfeld discussed some of the revisions that have been made to the budget. He advised the single biggest increase is for the Cox Cable expensed. Discussion ensued regarding the Cox contract and the fact that every year the rate increases.

Ms. Condon inquired what if the Association decides they do not want to provide the homeowners with cable. President Flamer advised that is a discussion for another day because that has nothing to do with passing the budget. Mr. Paprocki advised the Association has a one-year contract that expires on 12/31/12 so they have a year to decide what they want to do.

Mr. Schoenfeld reported there is proposed a \$3.00 increase to the Reserve portion. Mr. Chuck Murphy stated that he does not think they should increase the reserve but he does not feel strongly enough about it to vote no on the budget.

The motion passed unanimously by a vote of seven (7) to zero (0).

EXECUTIVE DIRECTORS REPORT

Reserve Projects

Mr. Paprocki reported the pool surface repairs have been completed. The new heaters have been installed and are operational. He further reported the water clarity is the best he has seen in quite sometime.

Mr. Paprocki provided an update on the painting of the common area building project that was approved by the Board at the last meeting.

Mountain View and 112th Street

Mr. Paprocki reported the signature tree of Stonegate, the ironwood, located at 112th and Mountain View Road blew down during the night and hit the ground. There was less than 20 percent of the tree remaining and it is likely the entire tree will have to be removed. The cost to replace one tree would be \$5,000 to \$6,000. He further reported he is proposing they redesign the area. He is looking at other options and trying to come up with a design concept that will be presented to the Physical Property Committee, Finance Committee. He further stated that since this is the first area you see coming east on Mountain View Road we should do something special since we lost our signature tree.

Mr. Paprocki reported as a result of the rainfall a few weeks ago trees fell down in the wash area between the Reserve and Heritage Court. Trees will be planted based on the ones lost.

Request for Legal Action: Delinquent Assessments

Mr. Paprocki reported that normally he handles the delinquent assessment collection through small claims. He further reported that he has a homeowner not paying assessments that is out-of-the country so he would like to send it to legal counsel because there is a different format for handling judgments.

In response to a question from Ms. Condon, Mr. Paprocki provided information on the steps the Association takes to take care of abandoned properties to keep the property looking good.

Mr. Schoenfeld inquired about the cost for hiring counsel regarding the international situation. Mr. Paprocki replied he would estimate about \$1,000.

Mr. Chuck Murphy moved that the Board direct the Executive Director to request legal action regarding the out-of-country homeowner's delinquent assessments. Seconded by Mr. Friedman.

The motion passed unanimously by a vote of seven (7) to zero (0).

In response to a question from Mr. Chuck Murphy, Mr. Paprocki provided information on Community and Conversation event held at Stonegate with Congressman David Schweikert. He reported that he felt it went extremely well. There were approximately 50 to 60 homeowners in attendance.

ACTION ITEMS

Committee Membership Changes

President Flamer reported the Nomination and Election Committee requests the Board accepts Jerry Levin's resignation and appoint Andrew Ventura.

Mr. Schoenfeld moved the Board accept Jerry Levin's resignation and appoint Andrew Ventura to the Nominations and Elections Committee. Seconded by Mr. Katz. *The motion passed unanimously by a vote of seven (7) to zero (0).*

Mr. Friedman stated that he considers it every ones responsibility to recruit new board members. He further stated he felt the best way is to go door to door. President Flamer stated he would agree it is important for us to be out there recruiting.

Holiday Party Catering

President Flamer stated the Social/Recreational Committee requests approval of the Holiday Party contract with ACI chefs for catering. Cost per person: \$16.00. Cost for 250 people: \$4,000.00.

Mr. Katz moved the Board approve the Holiday Party contract with ACI chefs for catering for \$4,000.00. Seconded by Mr. Jim Murphy.

The motion passed unanimously by a vote of seven (7) to zero (0).

Architectural Guidelines 4.2

President Flamer reported the Architectural Committee requests Board approval for replacement of the existing version of Section 4.2 of the Architectural Guidelines.

Mr. Friedman moved the Board approve replacement of the existing version of Section 4.2 of the Architectural Guidelines. Seconded by Mr. Katz.

Mr. Friedman stated that he still objects to the mandatory 25 percent ground cover.

Mr. Jim Murphy stated he felt over seeding needs to be put back in.

The motion passed unanimously by a vote of seven (7) to zero (0).

COMMITTEE REPORTS

NEW BUSINESS

Mr. Paprocki reported the CAI Law Seminar will be held this year in Palm Springs and early registration is \$595.00. He further reported he does not need Board action because the money is already in the budget for this seminar.

Mr. Schoenfeld commented the Social/Recreation Committee minutes state several tennis pros are interested in running programs here. He inquired is this for homeowners or outsiders. Mr. Paprocki reported it is for homeowners. A discussion ensued regarding non-resident using the tennis courts. It was noted non-residents can only play with homeowners.

Mr. Chuck Murphy advised that next month's meeting falls on Thanksgiving. It was determined the next meeting would be held on Tuesday, November 22nd.

Adjourned at 8:00 p.m.

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

NOVEMBER 22, 2011

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

ABSENT: 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.

RESIDENTS FORUM

No residents present.

President Flamer advised homeowners are permitted to speak once for up to three minutes on each topic being considered, as the meeting progresses. They may participate only until the motion is made.

MINUTES

October 27, 2011 Board Meeting

Mr. Katz moved that the Board approve the October 27, 2011 meeting minutes as presented. Seconded by Mr. Chuck Murphy. *The motion passed unanimously by a vote of six (6) 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 periods ending October 31, 2011. He responded to questions and comments from the Board members regarding the financials.

Mr. Schoenfeld updated the board on the following items:

Delinquency report
Reserve report
Year end projections

Mr. Chuck Murphy moved to accept the financial as presented and the Treasurer's Report as submitted. Seconded by Ms. Condon. *The motion passed unanimously by a vote of six (6) to zero (0).*

In response to a question from Mr. Friedman, Mr. Schoenfeld provided information on the Finance Committee's position on International equities. Discussion ensued regarding reinvestments.

EXECUTIVE DIRECTORS REPORT

Community Center Retrofit CFLs

Mr. Paprocki reported the Community Center Retrofit is completed. The high ceiling lights have been provided and will be installed when Creative Man Painting paints the window frames since scaffolding will be needed. The remaining LED lighting project is being reviewed by APS; afterwards a December installation has been requested.

Ms. Condon stated that she did not like the light color in the community room.
Mr. Paprocki replied he will ask for a warmer color.

Mr. Paprocki stated he has received confirmation from APS on the landscape lighting agreement and he has contacted a contractor to see if it is possible to schedule this by the end of the year.

Holiday Party Sponsorship

Mr. Paprocki announced the Holiday Party is scheduled for December 8th at 5:30 p.m. to 8:00 p.m. for food service. He stated the adult party sponsors are: Cox Communications, Jackson Financial Advisors, and All in One Home Repair. The Children's Holiday Party is Saturday, December 10th at 11:00 a.m. to 1:00 p.m. This party is sponsored by Christy Mooney, Reality Executives and Melissa Gregg, OnQ Financial.

Art Show/Conservation Event

Mr. Paprocki stated the Annual Art Show this year included conservation vendors that were involved in past SCA events. This addition was well received and increased the attendance from last year. Income from the document shredding resulted in \$98 net profit after event expenses.

Landscape Walkway

Mr. Paprocki reported the main walkway (Tradewinds, Belcourt and Vintage) is being improved. Additional rock for drainage erosion control are being added and new plant materials (trees and desert variety) replacing lost trees and plants. He further reported this project hopefully will be completed this coming Wednesday.

Nomination/Election Mailing

Mr. Paprocki advised the Nomination/Election Mailer for Board Applicants has been mailed. A master mailing is planned for the first week of December regarding the 2012 assessment. He further advised that the Association encourages auto-pay for the assessments.

In response to a question from Mr. Schoenfeld, Mr. Paprocki provided information regarding the Mutual of Omaha option. Mr. Schoenfeld stated he felt that option should be removed. Mr. Paprocki replied he would remove it.

Tennis Pro

Mr. Paprocki stated the Tennis Pro survey was included in the Board packet. He further stated if the board concurs with the Social and Recreational Committee request, he will implement before the end of the year. He noted that he supports the additional tennis pros to provide homeowners with choices. The Board concurred.

COMMITTEE REPORTS

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

Mr. Paprocki stated there are items to go over on the Physical Property Committee report, a homeowner in Widemere provided a photograph of a patch of sidewalk where a portion of rusted rebar has erupted from the pavement and caused elevation in the concrete and now poses a safety hazard. He further stated that he spoke to the committee regarding a temporary patch at minimal cost; however, the committee made the recommendation that the repair work needs to be done.

Mr. Paprocki explained that the Reserve Study will be re-done within the next few months, based on a variety of projects which have been completed, such as: replacement of pool heaters, gate repairs, computer server etc.

ADJOURNMENT

The Board meeting, being duly moved and seconded, adjourned at approximately 7:00 p.m.

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

DECEMBER 22, 2011

**APPROVED
January 24, 2012**

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

ALSO

PRESENT: Jane Picoult and Myron Picoult, Retreat

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.

RESIDENTS FORUM

President Flamer advised homeowners are permitted to speak once for up to three minutes on each topic being considered, as the meeting progresses. They may participate only until the motion is made.

Jane Picoult, Retreat, stated that she is a member of the film club and current events club. She presented the Board a petition with 109 signatures in support of the Association purchasing a wireless microphone and a dozen bridge chairs. She provided the Board with information on the cost of these purchases. She advised that the purpose of this request is to enhance the interactive experience of Stonegate residents participating in various activities

Ms. Picoult responded to questions and comments from the Board members regarding this request. Discussion was held. The consensus was that a lot of residents would benefit from these purchases. It was determined that purchase of the bridge chairs was within the authority of the Executive Director and did not need Board approval. The Board felt the wireless microphone request should be sent to the Social Recreational Committee to research and ensure the Association purchases a microphone that is compatible with their current equipment and is the best product at the best price.

MINUTES

November 22, 2011 Board Meeting

Mr. Katz moved that the Board approve the November 22, 2011 meeting minutes as presented. Seconded by Mr. Schoenfeld. *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 periods ending November 30, 2011. He responded to questions and comments from the Board members regarding the financials.

Mr. Schoenfeld updated the board on the following items:

Delinquency report
Capital Reserve Fund
Overseas Investments

Discussion was held regarding overseas investments. It was determined that Mr. Friedman would attend a Finance Committee meeting and raise their concerns.

Mr. Chuck Murphy moved to accept the financial as presented and the Treasurer's Report as submitted. Seconded by Mr. Friedman. *The motion passed unanimously by a vote of seven (7) to zero (0).*

EXECUTIVE DIRECTORS REPORT

Computer Update

Mr. Paprocki reported a Dell server has been ordered with delivery expected on January 3, 2012. He further reported the estimated life on the server is between five and eight years. Two computers, Apple I-Mac have been purchased. I-Mac computers can also function as PCs with software such as Boot-camp or Parallel. He advised that is searching for the best price on software. Operating system will be Windows 7. All systems will be properly licensed. Conversion to the new system will begin in January. Computer upgrade was scheduled in 2011.

Riding Mower Replacement

Mr. Paprocki reported several bids were received on the riding mower replacement. A&G provided the best price with trade in cash discount in the amount of \$12,564.04, tax included. The equipment being replaced is 16 years old and was purchased used. The "Walker" riding mower being purchased is new. He further reported the Reserve Study provided an estimated replacement cost of \$10,500. He added as discussed, we are taking delivery this year and being invoiced in 2012.

LED Replacement Date

Mr. Paprocki reported the LED lamps have been ordered. The provider has indicated a mid January delivery. Installation is expected to be completed by the end of January.

Community Center Painting

Mr. Paprocki reported Creative Man Painting is scheduling the Community Center window frames painting the second week-end in January, starting Friday the 13th and finishing Sunday the 15th. He further reported the Main Gate and East Gate will be completed prior to work starting at the Community Center. He explained the delay was caused by the recent rains and Holidays.

Holiday Event Recap

Mr. Paprocki acknowledged the Holiday event sponsors. The children's party was sponsored by Christy Mooney, Realty Executives and a Stonegate Preferred Realtor and Melissa Gregg, OnQ Financial Services. The adult party was sponsored by Jackson Financial Advisors, Cox Communications and All in One Home Repairs. Out caterer was AZ Culinary Institute. He reported an estimated 275 guests attended. He provided a brief summary of the event.

General Correspondence

Mr. Paprocki advised two letters were included in the Board packet. Brief discussion was held regarding the letters.

Mr. Paprocki requested the January Board Meeting be held on Tuesday, January 24, 2012 instead of Thursday, January 26th as he is attending the CAI Law Seminar. The Board was in agreement.

BOARD ACTIONS

Riding Mower Replacement

President Flamer stated the Executive Director is requesting Board approval to purchase a riding "Walker" mower in the amount of \$12,564.00 tax included from A&G. Trade-in and cash discount received totaling \$1,500. He further stated that two other bids were received. He advised the existing "Walker" is a 1995 unit and is in need of approximately \$1500 in repairs. The equipment is a Reserve Fund item.

Mr. Jim Murphy moved the Board approve the purchase of a riding "Walker" mower in the amount of \$12,564.00 tax included from A&G. Seconded by Mr. Katz. *The motion passed unanimously by a vote of seven (7) to zero (0).*

2011 Auditor Authorization

President Flamer stated the Finance Committee is requesting Board approval to retain Butler Jones and Hansen to perform the 2011 audit. The cost range is \$8,750 to \$9,750, the same as last year. Tax preparation is \$800.

Mr. Chuck Murphy moved the Board approve retaining Butler Jones and Hansen to perform the 2011 audit. The cost range is \$8,750 to \$9,750. Tax preparation is \$800. Seconded by Mr. Katz.

In response to a question from Ms. Condon, Mr. Schoenfeld outlined the reasons the Finance Committee decided to stay with Butler Jones and Hansen despite the errors that were made last year. He reported Butler Jones and Hansen has conducted past audits and is familiar with the Stonegate Community Association. A meeting is being scheduled to discuss work oversight and expectations. He stated one thing we have going for us that we did not have last year is Joan and she has been here six months and knows our accounts. In the past, we have not had someone as proficient as Joan. He further reported that we do not expect a problem this year. Discussion ensued.

Mr. Katz moved to amend the motion that approval will be subject to the interview with Mr. Schoenfeld and the Executive Director. Seconded by Mr. Jim Murphy. *The motion passed unanimously by a vote of seven (7) to zero (0).*

COMMITTEE REPORTS

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

DISCUSSION/NEW BUSINESS

President Flamer on behalf of the entire Board wished the residents Happy Holidays and a prosperous New Year.

ADJOURNMENT

The Board meeting, being duly moved and seconded, adjourned at approximately 7:30 p.m.