

**STONEGATE COMMUNITY ASSOCIATION
2015 ANNUAL HOMEOWNERS MEETING
STONEGATE COMMUNITY CENTER
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
MARCH 26, 2015**

APPROVED MINUTES

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

STAFF: Larry Paprocki, Executive Director
Dolly Singh, Officer Manager
Catherine Bryson, Communications Coordinator
Stephanie Castiglia, Administrative Assistant

ALSO

PRESENT: Stonegate homeowners

WELCOME & INTRODUCTION

President Katz called the 2015 Annual Homeowners Meeting to order and thanked the homeowners for their attendance at the meeting. He introduced the Board Members.

President Katz introduced the Community Association Staff.

QUORUM REQUIREMENT

The first item of business was verification of the quorum requirement. President Katz advised that the Quorum Requirement has been fulfilled, as 1/10th of the membership is present, or has already voted, which are at least 92 members. As such, this is a proper and duly called meeting.

APPROVAL OF THE 2014 MINUTES

Mr. Chuck Kaufman moved to waive the reading of the 2014 minutes, (furnished to all in attendance) and called for approval as presented. Seconded by Mr. Tom Schaefer. The motion passed unanimously.

PRESIDENT'S REPORT

President Katz reported he will be leaving the Board after completing his second two-year term. He further reported that he has had the pleasure of being the Board President for the past two years. He acknowledged each Board member for their dedication, time and service to the community. He also acknowledged the committee members stating their planning and input has helped the deliberations of the Board. He stated that his special appreciation goes to our administrative staff. They have kept the daily business of the community functioning in a professional and efficient manner. He further stated that he would particularly like to recognize Joan Cheng, Accounting Manager. She provides the Board with the financial statements that have been praised by our outside Auditing firm. The experience levels of our Board members, committee members and our staff are apparent in the success of our community. He commented that he must give special recognition to our Executive Director, Larry Paprocki. His management of our Association is without equal.

TREASURER'S REPORT

Ms. Nancy Ford stated that everyone has been sent a copy of the audit balance sheet in the Annual Report. She provided a brief review of the expenditures and income. She advised that there is an operating surplus and it is required for the Board to vote on rolling forward surplus, based on Revenue Ruling 70-604. She further advised that the Association relies on surplus to fund operating expenses in future years and by doing so avoid taxation.

Mr. Tom Schaefer moved the Board approve rolling forward of surplus funds into the next calendar year, 2015, based on Revenue Ruling 70-604 to satisfy the IRS. Seconded by Mr. Chuck Kaufman. The motion passed unanimously.

SPECIAL RECOGNITION PRESENTATION

Dr. Levitt acknowledged the efforts of the retiring Board President Edward Katz. Dr. Levitt presented the retiring Board President with a recognition award for his service.

NOMINATION & CASTING OF BALLOTS

President Katz introduced the 2015 Board Candidates:

Nancy Ford
Tom Schaefer
Luc Ducrocq
Dr. Leroy Rhein
Lori Condon

Dr. Levitt introduced the Nomination and Election Committee as follows:

Eugene Evans, Chair
Carol Dolohanty
Michael Cavanaugh
Derek Fromm

ELECTION RESULTS & CERTIFICATION

Dr. Levitt announced the election results of the Board of Directors election and provided certification form for 2015/2016.

Nancy Ford
Tom Schaefer
Dr. Leroy Rhein
Lori Condon

ADJOURNMENT

President Katz thanked everyone for their attendance at the 2015 Annual Homeowners Meeting.

Mr. Tom Schaefer moved to adjourn the Stonegate Community Association Annual Meeting at 7:15 p.m. Seconded by Mr. Chuck Kaufman. The motion passed unanimously.

**STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
JANUARY 22, 2015**

APPROVED MINUTES

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

ABSENT: David Allen, Secretary

STAFF: Larry Paprocki, Director
Stephanie Castiglia, AV

CALL TO ORDER

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

MINUTES

November 25, 2014 Board Meeting

Ms. Ford and Mr. Weissman reviewed their corrections to the minutes.

Dr. Levitt moved the Board approve the November 25, 2014, Board of Directors meeting minutes as amended. Seconded by Mr. Weissman. *The motion passed unanimously.*

TREASURER'S REPORT

Pre-Audit December 2014 Financials

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

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

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

EXECUTIVE DIRECTOR'S REPORT

Mr. Paprocki reported Butler and Hansen, CPA firm was contracted to conduct the 2014 audit. The December 31, 2014, financials are marked pre-audit. The firm will begin the audit on Wednesday, January 21, 2015. He further reported that the 2014 findings will be presented in a joint meeting of the Board of Directors and the Finance Committee on Thursday, February 12, 2015 at 4:00 PM. He stated that on acceptance of the 2014 audit, the pre-audit December financials will be updated with auditor's adjustments to coincide with the final report. He further stated that Stonegate Community Association's Annual Report will provide the Year End Balance Sheet and a comparison of the budget and actual as well as the approved 2015 budget as in the past for membership review. He noted that the 2014-2015 Annual Report will be placed on the community website no later than Wednesday, February 25, 2015.

Mr. Paprocki reported he is requesting to change Stonegate Community Association's telephone and internet provider from CenturyLink to Cox. He further reported after working with both providers, Cox offers the best internet speed for Stonegate's operation, which includes computers and cameras. He explained that the increased speed will also allow video streaming in the future from the community website. He advised that CenturyLink upgrades to their existing lines were cost prohibitive. He further advised that the comparison with Stonegate Community Association's 2014 actual cost and the Cox proposal was minimal. He added if approved by the Board, it would take up to four months to implement. Mr. Paprocki responded to questions and comments regarding this request.

Mr. Paprocki reported the landscape medians project was completed in late December. He further reported that the majority of the comments received have been positive. He stated the last median project used less rubble rock but maintained the design integrity with the other medians.

Mr. Paprocki provided an update on the Roadway Project. He reported that Tom McDonald, PMIS began on-site inspections of our streets. He further reported that they discussed the fact that the cost of oil has dropped significantly since last year and perhaps they should look at some of the subdivisions that are scheduled further in the future to see if it would be a cost savings to bring them forward. The Reserve is designated as the only subdivision for reconstruction. The Regent was reconstructed in 2014 and is scheduled for seal coating. Subdivisions scheduled for maintenance R&R, skin patches, crack sealing and seal coating are Stonecreek, Tradewinds, Mt. View Estates and the Regal. Bid specifications matching prior years work will be used for solicitation of bids. The results will be presented to the Physical Property Committee and Finance Committee

before Board consideration. After the 2015 work is completed, the 10-year roadway plan will be updated. Discussion ensued and the consensus of the Board members was that it would make sense to look into the possible cost savings of moving some of the roadway projects forward due to the drop in oil prices.

Mr. Paprocki provided an update on Phase 2 of the Landscape Enhancement and View Fence Painting projects.

BOARD ACTIONS

Change of telephone and internet provider from CenturyLink to Cox

President Katz stated the Executive Director is requesting approval to change Stonegate Community Association's telephone and internet provider from CenturyLink to Cox.

Ms. Ford moved that the Board approve changing the Stonegate Community Association's telephone and internet provider from CenturyLink to Cox. Seconded by Mr. Weissman. *The motion passed unanimously.*

COMMITTEE REPORTS

President Katz noted the committee reports were included in the Board packet for Board members review and comment. Mr. Paprocki responded to questions and comments regarding the committee reports.

DISCUSSION/NEW BUSINESS

In response to a question from President Katz, Mr. Paprocki advised that a community email was sent to the homeowners advising of the assessment late fee increase from \$10.00 to \$15.00.

In response to a question from Ms. Ford, Mr. Paprocki provided information on the correspondence he has had with APS regarding the power loss that occurred in the Vintage subdivision. He reported that APS is looking at replacing two transformers.

The Board discussed the letter from a homeowner regarding the landscape medians project and approval process within Stonegate. It was suggested communicating to the homeowners that any committee other than the Nomination and Election Committee are not approval committees and all of their recommendations come before the Board for final approval. The Board members encourage homeowners come to Board meetings to express their concerns.

The Board also discussed a letter from a homeowner that suggested a referendum go out to the community regarding what type of amenities homeowners would like. The Board discussed conducting outreach meetings, with a representative from each of the various committees, to obtain feedback regarding the types of amenities the community would

like to have. It was noted that amenities must provide overall value to the entire community. It was further noted that over the years the Board and committees have reviewed and discussed suggestions regarding possible amenities.

The Board discussed their concern and possible solutions regarding the homeowners that are not abiding by the CC&Rs with regard to overnight parking and cleaning up after their pets.

President Katz stated the next regular Board meeting is Thursday, February 26, 2015.

ADJOURNMENT

Dr. Rhein moved the Board adjourn at 7:15 p.m. Seconded by Dr. Levitt. *The motion passed unanimously.*

**STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
FEBRUARY 26, 2015**

APPROVED MINUTES

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

STAFF: Larry Paprocki, Director
Javier, AV

CALL TO ORDER

President Katz 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 22, 2014 Board Meeting

Mr. Weissman reviewed his correction to the minutes.

Mr. Moreau moved the Board approve the January 22, 2014, Board of Directors meeting minutes as amended. Seconded by Mr. Weissman. *The motion passed unanimously.*

February 12, 2015

Dr. Rhein moved the Board approve the February 12, 2015, Board of Directors meeting minutes as presented. Seconded by Mr. Weissman. *The motion passed unanimously.*

TREASURER'S REPORT

Ms. Ford reported that the financials were not included in the Board packet. She provided an update on what has happened since the joint meeting in February with the auditors. She further reported the January and February financials will be presented at the March meeting.

EXECUTIVE DIRECTOR'S REPORT

Mr. Paprocki reported the process has begun on the annual cut back of the landscape in preparation for the weed control spraying. All pre-emergent and contact killer applications will be finished next week.

Mr. Paprocki reported the Cox agreement has been signed for phone and internet services. The transition will be complete within four weeks.

Mr. Paprocki advised that included in the Board packet is a letter from Tom McDonald, PMIS, providing information on the comparison of asphalt prices in 2014 and 2015. The letter indicates that the costs have increased from last year. At this time, the cost is up \$20.00 per ton even with lower oil prices.

Mr. Paprocki reported, per Tom McDonald's inspection, Belcourt needs street reconstruction this year and because it is need driven the work is being moved forward to 2015. He further reported Tom McDonald will be sending out bids for the 2015 work and a recommendation will be presented at the next Board meeting.

Mr. Paprocki reported that he will be seeking Board approval to replace two PCs and their windows operating system to iMacs with parallel software. The new computers will allow uniformity within the office for better cross training of job duties. He further reported the cost per unit with upgrades is \$3,000.00. The upgrades will be done later as needed.

Mr. Paprocki reported the Nominations and Election Committee was concerned regarding the reduction in voting for last year's Board Election. He further reported the Committee put together written instructions to make on-line electronic voting easier. Mr. Allen stated the wording "Only one vote per household is permitted" is confusing. Discussion ensued and the consensus of the Board was to change the wording to: Only one ballot per household is permitted.

Mr. Paprocki requested the Board hold an Executive Session after this meeting.

BOARD ACTIONS

2015 Roadway RFP

President Katz stated the Executive Director is requesting Board approval for PMIS to submit an RFP for the 2015 Roadway work. He further stated Belcourt street reconstruction was added to the 2015 work at an estimated cost of \$438,100.

Discussion was held regarding the need to move Belcourt street reconstruction work forward to 2015. It was noted that the funds are available and adjustments can be made over the next two years in scheduling future roadway work.

Dr. Levitt moved the Board approve for PMIS to submit an RFP for the 2015 Roadway work. Seconded by Dr. Levitt. *The motion passed unanimously.*

Purchase of two iMac computers

President Katz stated the Executive Director is requesting Board Approval to replace two PCs and their operating system with two iMacs with parallel software.

Dr. Levitt moved the Board approve the replacement of two PCs and their operating system with two iMacs with parallel software at total cost per unit of \$3,000.00. Seconded by Mr. Weissman. *The motion passed unanimously.*

HUB SPORTS

President Katz stated the Executive Director is requesting approval for HUB Sports to have their swim lessons at Stonegate in the months of May, June and July.

Dr. Levitt moved the Board approve for HUB Sports to have their swim lessons at Stonegate in the months of May, June and July. Seconded by Mr. Weissman. *The motion passed unanimously.*

COMMITTEE REPORTS

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

Dr. Rhein reported that the Architectural Committee denied a request for a new front door based on the style. He further reported that he was not in agreement with the denial because he felt there were no grounds for the denial. He stated that he advised the Committee he would bring this issue up to the Board to determine if the Board should overturn the architectural committee's denial. Mr. Paprocki stated that he was not in agreement with the denial because there are doors similar in nature in the community and the requested door fits within the architectural guidelines. Discussion was held.

Ms. Ford moved the Board overturn the Architectural Committee's denial vote and allow Retreat Lot 70 be approved for their new front door. Seconded by Dr. Levitt. *The motion passed unanimously.*

ADJOURNMENT

Dr. Rhein moved the Board adjourn at 6:50 p.m. Seconded by Mr. Weissman. *The motion passed unanimously.*

**STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
MARCH 26, 2015**

APPROVED MINUTES

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

STAFF: Larry Paprocki, Director

CALL TO ORDER

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

MINUTES

February 26, 2015 Board Meeting

Ms. Ford reviewed her correction to the minutes.

Dr. Levitt moved the Board approve the February 26, 2015, Board of Directors meeting minutes as amended. Seconded by Mr. Moreau. *The motion passed unanimously.*

TREASURER'S REPORT

Ms. Ford reviewed the Association financial statements, as prepared by Association staff, for the period ending February 28, 2015. She advised that she has reviewed the bank statements and they are in order. She responded to questions and comments from the Board members regarding the financials.

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

President Katz commended Mr. Paprocki on the great job he has done managing the delinquent accounts.

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

EXECUTIVE DIRECTOR'S REPORT

Mr. Paprocki provided background information on Mountain View Estates Parcel 12 and 12 A. He reported Parcel 12A was annexed out of Stonegate master plan during transition from developer control to homeowner control. However, a plat and tract declaration existed prior to the annexation of Parcel 12A. The property owner of Plat 12A Lot 1 is requesting the landscape tract shown on the plat be transferred into their name per the tract declaration since it was not dedicated to the City of Scottsdale. The tract in question was transferred to Stonegate Community Association. He further reported the homeowner is willing to reimburse Stonegate Community Association for all cost incurred including legal counsel review of the matter. He advised that he is requesting Board authorization to have legal counsel review the matter and if necessary to prepare the necessary documents to transfer the landscape tract in question to the homeowners of Parcel 12A Lot 1.

Mr. Paprocki responded to questions and comments regarding Mountain View Estates Parcel 12 and 12 A.

In response to a question from Mr. Weissman, Mr. Paprocki stated the homeowner wishes to stable horses behind their home which is permitted in Paradise Heights neighborhood. He further stated that the closest Stonegate resident is a substantial distance away.

Mr. Allen expressed his concerns regarding the potential impacts to Stonegate residents and them being unhappy. Mr. Paprocki stated that three properties would potentially be affected. Discussion ensued and the consensus was to retain an attorney for legal advice on this matter only after the homeowner pays the money up front to retain the attorney. The Board also requested that the Association communicate with the adjacent properties by letter and a meeting after the documents have been reviewed by an attorney.

Mr. Allen moved that the Board authorize the Executive Director to find out the costs associated with retaining an attorney to provide legal advice regarding this matter. The attorney may only be retained after the homeowner has paid the costs to retain the attorney. The attorney shall provide advice and no further action shall be taken until this matter is brought back to the Board. Seconded by Ms. Ford. *The motion passed unanimously.*

Mr. Paprocki reported that the H.O.A. Condominium/Planned Community Addendum Form has been adopted by Scottsdale Board of Realtors. This is being sent when a listing agreement is entered into with a seller. He further reported in the past, this information

was provided to the title company when the property went into escrow. He advised that agents were giving incorrect information on their listing to perspective buyers that created a problem. Since a seller can elect to change their listing agent, Stonegate Community Association can expect to complete the form several times for the same property. He stated that he would suggest an administrative fee be established to cover staff time to complete the form and to be paid by the listing agent. He further stated that this information can be obtained on Stonegate Community Association's website at no cost by the listing agent.

The Board discussed this issue and the option of charging an administrative fee to complete the form. The Board also discussed whether the Association would assume any liability by signing the form. The consensus of the Board is to tell the Real Estate Agents to go the website and print out a copy for free.

Mr. Paprocki reported that they have signed a lease agreement with Pitney Bowes that will save the Association money.

In response to a question from President Katz, Mr. Paprocki provided updates on the status of the Cox Agreement, Roadway Project bids and overturn of the Architectural Committee's denial vote to allow Retreat Lot 70 be approved for their new front door.

COMMITTEE REPORTS

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

President Katz stated that it has been a good tour of duty and he appreciates all of the Board members.

In response to a question from Mr. Allen, Mr. Paprocki provided information on what he will do to address the pallet of tiles in front of one of the homeowner's house.

ADJOURNMENT

Dr. Rhein moved the Board adjourn at 6:30 p.m. Seconded by Mr. Allen. *The motion passed unanimously.*

**STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
APRIL 23, 2015**

APPROVED MINUTES

PRESENT: Don Levitt, President
David Allen, Vice President
Nancy Ford, Treasurer
Lori Condon, Secretary
Leroy Rhein, Director
Tom Schaefer, Director
Cary Weissman, Director

STAFF: Larry Paprocki, Executive Director
Stephanie Castiglia, AV

CALL TO ORDER

President Levitt 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

**March 26, 2015 Board Meeting
March 26, 2015 Annual Meeting
March 26, 2015 Election of Officers Meeting**

Mr. Schaefer and Ms. Ford reviewed their corrections to the minutes.

Ms. Ford moved the Board approve the March 26, 2015, Board of Directors meeting, March 26, 2015 Annual Meeting and March 26, 2015 Election of Officers meeting as amended. Seconded by Ms. Condon. *The motion passed unanimously.*

TREASURER'S REPORT

Ms. Ford reviewed the Association financial statements, as prepared by the Association staff, for the period ending March 31, 2015. She advised that she has reviewed the bank statements and they are in order. She responded to questions and comments from the Board members regarding the financials.

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

EXECUTIVE DIRECTOR'S REPORT

Mr. Paprocki reported that the main reserve expenditures for 2015 include the roadway work, view fence painting, landscape enhancements, the purchase of pool furniture and repairs of tennis courts 6 & 7.

Mr. Paprocki provided information on possible new Maricopa County requirements regarding UV sanitizers for the pool and spa.

Mr. Paprocki reported at the last meeting, the Board authorized him to retain an attorney to provide legal advice, subject to the homeowner submitting a check to cover the estimated attorney fee. Mr. Paprocki reported he has received a check and had requested legal counsel to review the Plats for 12 & 12A, and the associated legal documents to determine ownership for Tract A on Plat 12A. The attorney's research indicates that the Tract A is still in the name of the developer so SCA does not have the authority to transfer the tract to the homeowner. Discussion ensued with Mr. Paprocki responding to questions.

Mr. Allen expressed his concerns regarding the potential impact to Stonegate residents and the possibility of them being unhappy. Mr. Paprocki stated that three properties could be affected. Discussion ensued regarding this issue. Mr. Paprocki stated that he would send a letter to the three properties and meet with them to discuss what is being requested and the potential impacts.

Mr. Allen stated Mr. and Mrs. Gosselin have met with the Board, and have requested that they be granted a variance from the CC&R restriction of having no more than two dogs, set forth in Article 3, Section 3.17, and they be allowed to continue to have three dogs at their premises. The Board has also met with Mr. Ducrocq, the neighbor of Mr. and Mrs. Gosselin, regarding his request that the Board enforce the two-dog limitation and compel Mr. and Mrs. Gosselin to remove one of their three dogs from the premises. The Board has considered the statements of all parties, and has taken into consideration the fact that one of the three dogs owned by Mr. and Mrs. Gosselin, a Jack Russell, has a medical condition that will shorten its life and requires special attention. Enforcement of the two-dog restriction would cause the Jack Russell to have to be put down prematurely. The other two dogs, which are blue heelers, are younger and in good health, although one of the Blue Heelers is deaf.

Mr. Allen moved the Board grant the requested variance, subject to the following conditions:

1. At such time as any of the three dogs die or for any reason is removed from the premises, the variance shall immediately expire, and no more than two dogs shall there after be kept at the premises.
2. Mr. and Mrs. Gosselin shall use their best efforts to keep the dogs from barking. Such efforts shall include, without limitation, (a) keeping their "doggy door"

locked during the hours of 8:00 pm to 8:00 am; (b) training their dogs; and (c) installing and maintaining exterior cameras and microphones to monitor the barking of the dogs.

3. At no time shall any of the three dogs be allowed outside of the premises without being on a leash.
4. If any of the foregoing conditions are violated, or if it is brought to the attention of the Board by Mr. Ducrocq, or any other neighbor, that there is excessive barking, upon confirmation of such violation of barking, the Board retains the right, at any time, in its sole and absolute discretion, to terminate this variance, and to compel Mr. and Mrs. Gosselin to immediately remove one of the dogs from the premises.

The granting of Variance does not waive the other restrictions found in Article 3, Section 3.17 titled Animals, specifically noise nuisance.

Seconded by Ms. Ford.

President Levitt suggested amending the motion to reflect the “doggy door” should be locked from 8:00 pm to 7:00 am. The maker of the motion and second accept the amendment. *The motion passed unanimously.*

Mr. Allen requested that Mr. Paprocki send a letter with a copy of the variance motion to the homeowners and neighbor.

BOARD ACTIONS

Approval of new spa filter to replace the sand filter Approval for a new cartridge for pool filter

President Levitt stated the Executive Director requests Board approval for a new spa filter to replace the sand filter and approval for a new cartridge for the pool filter at a total cost of \$4,965.83. The Physical Property Committee and Finance Committee reviewed this request and agree with the recommendation.

Mr. Schaefer moved the Board approve the purchase of a new spa filter to replace the sand filter and approval for a new cartridge for the pool filter at a total cost of \$4,965.83. Seconded by Mr. Weissman. *The motion passed unanimously.*

Approval of Pinnacle Paving for roadway work

Mr. Paprocki requested Board approval of Pinnacle Paving for roadway work. He reported that Pinnacle was the low bid and they have performed the work for the last two

years. He further reported the Physical Property Committee and Finance Committee recommend approval of Pinnacle's bid.

Ms. Ford moved the Board approve of Pinnacle Paving for the roadway work. Seconded by Mr. Schaefer. *The motion passed unanimously*

Approval of 2015 Committee Membership

Mr. Paprocki requested approval of the 2015 Committee Membership. He responded to questions and comments regarding the 2015 membership. A discussion ensued and the consensus was just to appoint the Board members to the Committees and leave the decision regarding the other members to the next meeting.

COMMITTEE REPORTS

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

Mr. Paprocki provided an update on the Cox transition for phone and internet services.

Discussion was held regarding the date of the next Board meeting. It was determined the next meeting would be held on Tuesday, May 26, 2015 at 6:00 p.m.

ADJOURNMENT

Mr. Allen moved the Board adjourn at 7:10 p.m. Seconded by Ms. Ford. *The motion passed unanimously.*

**STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
May 28, 2015**

APPROVED MINUTES

PRESENT: Don Levitt, President
David Allen, Vice President
Nancy Ford, Treasurer
Lori Condon, Secretary
Leroy Rhein, Director
Cary Weissman, Director

STAFF: Larry Paprocki, Executive Director
Catherine Bryson, AV

VISITOR: Ed Katz

CALL TO ORDER

President Levitt 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

April 23, 2015 Board Meeting

Ms. Ford moved the Board approve the April 23, 2015, Board of Directors meeting minutes. Seconded by Mr. Weissman. *The motion passed unanimously.*

TREASURER'S REPORT

Ms. Ford reviewed the Association financial statements, as prepared by the Association staff, for the period ending April 30, 2015. She advised that she has reviewed the bank statements and they are in order. She responded to questions and comments from the Board members regarding the financials.

Discussion ensued regarding the association's investments. At this time, there is no need to transfer any monies. A positive cash flow was reported. Long-term investments will not be made until the 2017 road budget is known. The Finance committee recommends selling the Janus Fund and placing the money into the Spartan 500 Index Fund. This will not change the investment balance sheet.

Mr. Rhein moved the Board accept the recommendation to sell the Janus fund and reinvest in Spartan 500 Index Fund. Seconded by Mr. Weissman. *The motion passed unanimously.* Mr. Rhein moved the Board accept the Treasurer's Report. Seconded by Mr. Weissman. *The motion passed unanimously.*

EXECUTIVE DIRECTOR'S REPORT

Mr. Paprocki acknowledged the recognition plaque from the Miracle League of Arizona. He will write a letter of thanks as well as express our desire to continue the relationship.

The 2015 roadwork maintenance schedule for Stonegate was discussed.

Pool/Spa update has been completed. The pool heater is scheduled to be turned off the first week in June through the summer.

PMIS has submitted a change order to cover additional project management due to the addition of Belcourt.

Cox Communications is upgrading the fiber as well as changing the existing pedestals. A discussion ensued as to whether the boxes can be painted by each homeowner that is affected. Paint colors would have to be approved by the Architectural committee if the colors are not already an approved color.

Request for an Ad hoc committee to review the Stonegate fine procedure and enforcement guidelines. Motion made to organize the Ad hoc committee was made by Ms. Ford, seconded by Mr. Rhein. Mr. Allen will work with Mr. Paprocki to suggest candidates.

BOARD ACTIONS

Accept PMIS change order request for additional work in project management as Belcourt was added to the 2015 reconstruction roadwork. The increased amount is \$950, bringing the total project management to \$8,450.

Ms. Ford moved to approve the PMIS change order of \$950. Seconded by Mr. Weissman, no discussion, passed unanimously.

Approval of 2015 Committee Members

The proposed committee membership was discussed and changes and/or additions were made. Motion to accept committee memberships was made by Ms. Ford, seconded by Mr. Rhein, and passed unanimously.

Approval of Tennis Courts 6 & 7 repair

Tennis courts 6 and 7 repair was recommended. Total cost of repairs is \$11,525.31. This falls under the \$14,250 budgeted. Motion to approve this repair expenditure was made by Ms. Ford, seconded by Mr. Rhein, and passed unanimously.

DISCUSSION/NEW BUSINESS

Mr. Weissman discussed letters he has received regarding the possible State changes to HOA statues. A brief discussion took place.

ADJOURNMENT

Ms. Condon moved the Board adjourn at 6:59 p.m. Seconded by Ms. Ford. *The motion passed unanimously.*

**STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
JUNE 25, 2015**

APPROVED MINUTES

PRESENT: Don Levitt, President
David Allen, Vice President
Nancy Ford, Treasurer
Lori Condon, Secretary
Leroy Rhein, Director
Tom Schaefer, Director
Cary Weissman, Director

STAFF: Larry Paprocki, Director
Stephanie Castiglia, AV

CALL TO ORDER

President Levitt 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

May 28, 2015 Board Meeting

Ms. Ford moved the Board approve the May 28, 2015, Board of Directors meeting minutes as presented. Seconded by Ms. Condon. *The motion passed unanimously.*

Mr. Paprocki reported that there would be an Executive Session held after tonight's meeting.

TREASURER'S REPORT

Ms. Ford reviewed the Association financial statements, as prepared by Association staff, for the period ending May 31, 2015. She advised that she has reviewed the bank statements and they are in order. She responded to questions and comments from the Board members regarding the financials.

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

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

EXECUTIVE DIRECTOR'S REPORT

Mr. Paprocki provided an update on Parcel 12A, Tract A. He reported the property owner of Lot 1 is proceeding with the quiet title process. The property owner has elected to use Shaw and Lines. He further reported no action is required at this time from Stonegate Community Association.

Mr. Paprocki provided an update on the Roadway projects. He reported the seal coating will be completed on Friday, June 26, in the Regal, Stonecreek, Tradewinds, Mountain View Estates and Regent. Reconstruction in the Reserve will be completed Thursday, June 29. The Belcourt streets reconstruction is scheduled to begin on Monday, June 29, and completed on July 2. He further reported that rain is in the weekend forecast, which may delay the start date. He responded to questions and comments from the Board members regarding the repairs.

Mr. Paprocki advised that the PMIS punch list will be submitted to Pinnacle Paving next week.

Mr. Paprocki stated at a prior meeting the Board discussed sending a survey out to the community regarding what type of amenities homeowners would like. The Board also discussed creating an ad-hoc committee to draft the survey and present it to the Board for approval. The consensus of the Board was to move forward with assembling a committee to draft the survey.

Mr. Paprocki reported that the Regal Lot 1 (VRBO) matter is being addressed. He further reported that no settlement has been reached. Additional information was requested and has been provided. He noted if the Board wishes to discuss this matter, it should be done in executive session.

COMMITTEE REPORTS

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

Discussion was held regarding the date of the next Board meeting. It was determined that there would not be a meeting held in July. The next meeting would be held on Thursday, August 27, 2015 at 6:00 p.m.

ADJOURNMENT

Dr. Rhein moved the Board adjourn at 6:35 p.m. Seconded by Ms. Ford. *The motion passed unanimously.*

**STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
AUGUST 27, 2015**

APPROVED MINUTES

PRESENT: Don Levitt, President
David Allen, Vice President
Nancy Ford, Treasurer
Lori Condon, Secretary
Cary Weissman, Director

ABSENT: Leroy Rhein, Director
Tom Schaefer, Director

STAFF: Larry Paprocki, Director
Stephanie Castiglia, AV

CALL TO ORDER

President Levitt 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'S FORUM

Lee Secrest, Regent, reported that the grass in the common areas are distressed. The turf areas are blotchy, blighted and there are huge patches of dead dying grass. He further reported that he does not think the lawns should look like that and something should be done about the blight.

Discussion ensued regarding this issue and the following suggestions were made: The common areas may need more water. Take inventory of the blighted areas so they can determine what is causing the problem and take corrective actions in the spring.

Mr. Secrest expressed his concern regarding the broken lights and that the glass is not being picked up. This creates a safety hazard. He also expressed his concern that the maintenance crews in the trucks do not see this hazard.

President Levitt stated that we rely on the community to alert the Board of issues that exist in the community.

In response to a question from Mr. Weissman, Mr. Secrest advised, "that people in the community are afraid to bring these issues up because they are afraid of retribution". Mr. Secrest stated his last issue is that the walking paths are not being cleaned.

President Levitt thanked Mr. Secrest for coming to the meeting.

MINUTES

June 25, 2015 Board Meeting

Ms. Ford moved the Board approve the June 25, 2015, Board of Directors meeting, minutes as presented. Seconded by Ms. Condon. *The motion passed unanimously.*

TREASURER'S REPORT

Ms. Ford suggested the Board review the Treasurer's Report on the Tablets.

President Levitt suggested that the Board have extra Tablets available for residents attending the meeting.

Ms. Ford stated in early July, Joan resigned as the Scottsdale Community Association accountant. She further stated that Lora Stacy has accepted the position as accountant. She reported that she does not have the July financials and will present the July and August financials at the September Board meeting.

Ms. Ford reviewed the Association financial statements, as prepared by Association staff, for the period ending June 30, 2015. She advised that she has reviewed the bank statements and they are in order. She responded to questions and comments from the Board members regarding the financials.

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

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

EXECUTIVE DIRECTOR'S REPORT

Mr. Paprocki provided information on the Group Health Benefits. He reported Starmark, our current health insurance carrier, proposed an 88% increase. He further reported that he requested all benefits be put out to bid as to determine market pricing and value. Meritus, a new provider offered competitive pricing and coverage to our existing benefits. Also it provided employees a choice of using a HMO or PPO plan. Based on cost of service, he is recommending Meritus be used as the 2015-2016 using the HMO or PPO plan. He stated that he is also recommending a change in our Dental provider from Principal to Guardian based on lower dental rates. He further stated Arizona Health Benefits supports the provider change without a reduction of services.

Mr. Paprocki responded to questions and comments from the Board members regarding the group health benefits.

Mr. Weissman moved the Board approve the 2015-2016 Medical Plan Meritus HMO/PPO and Guardian Dental Plan. Seconded by Ms. Condon. *The motion passed unanimously.*

Mr. Paprocki provided information on the Pinnacle Paving/Stonegate Circle Seal Coat. He stated as previously reported, the seal coat is failing after two years. He further stated that he has received an e-mail from Steve Young regarding his meeting with Seal Master and his recommended solution. He advised that the e-mail will be submitted to the Physical Property Committee for review.

Mr. Paprocki responded to questions and comments regarding this issue and the recommended solution. The consensus of the Board was that Pinnacle Paving is taking responsibility for the problem and willing to correct it. Mr. Allen suggested purchasing a bond in case this company goes out of business before the repairs are made.

Mr. Paprocki provided information on the proposed Safeguard Access Personnel three-year contract. He reported negotiations with Safeguard have resulted with a proposed contract being submitted for Board Review and approval. He further reported in 2016 the contract would increase by 1.54 percent, and in 2017 would increase by 1.37 percent with no increase in 2018.

Ms. Ford moved the Board approve the Safeguard Personnel Contract for Access Services from 2016 thru 2018 as follows:

- First year increase 1.54 percent.
- Second year increase 1.37 percent.
- Third year no increase.

Seconded by Mr. Weissman. *The motion passed unanimously.*

Mr. Paprocki provided information on the Kawasaki Mule Replacement. He reported the remaining EZ-Go is inoperable requiring a new motor. In 2012, Stonegate Community Association began transitioning from the EZ-Go to the Mule. Presently, Stonegate Community Association owns three mules. Replacing the EZ-Go with Mule completes the light vehicle transition. He further reported the bid received includes a five-year maintenance warranty. The total cost of the Kawasaki Mule with maintenance is \$9,821.22. He added this is a Reserve item and the expense was not included in the 2015 expenses.

Ms. Condon moved the Board approve the Reserve expenditure for the Kawasaki Mule with five-year maintenance warranty in the amount of \$9,821.22. Seconded by Ms. Ford. *The motion passed unanimously.*

Mr. Paprocki reported five residents have volunteered to serve on the Ad Hoc Committee that is charged with surveying the community to determine how Stonegate Community Association is meeting their current recreational needs and to assess future needs.

Ms. Condon stated that she would recommend that the Ad Hoc committee also survey the community regarding what types of events and or activities they would be interested in.

Ms. Ford moved the Board approve the Ad Hoc Committee to conduct a survey on future amenity and events for the community. The Committee will comprise of the following members:

Gene Evans
Derek Fromm
Bob Kennedy
Sherre Phillips
Alisa Taylor.

Seconded by Mr. Weissman. *The motion passed unanimously.*

Mr. Paprocki provided information on the towing issue. He reported the Stonegate Community Association legal counsel does not recommend the Stonegate Community Association begin a practice of towing vehicles unless it is a danger to the community. He further reported that he also checked with our insurance carrier on the matter and presently the Association does not have towing coverage. He advised if the Board wishes, he can seek out communities who have such a policy.

The Board discussed the on-street parking issues. The Board also discussed having overnight guests register and place a sticker in their vehicle.

Mr. Paprocki provided information on the damages to the East Gate. He reported in the last two weeks the East Gate has sustained damages. The first incident was from a driver using the turn around lane striking a concrete post, which caused an upheaval in the asphalt. The second was caused by a delivery carrier. He advised he is in the process of getting bids to submit to them and their insurance carriers.

In response to a question from Mr. Allen, Mr. Paprocki advised that the City of Scottsdale is three weeks behind on brush trash collection. The issue has been taken care of and collection will occur as regularly scheduled.

COMMITTEE REPORTS

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

ADJOURNMENT

Mr. Allen moved the Board adjourn at 7:45 p.m. Seconded by Ms. Condon. *The motion passed unanimously.*

**STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
SEPTEMBER 24, 2015**

APPROVED MINUTES

PRESENT: Don Levitt, President
Lori Condon, Secretary
Leroy Rhein, Director
Tom Schaefer, Director
Cary Weissman, Director

ABSENT: David Allen, Vice President
Nancy Ford, Treasurer

STAFF: Larry Paprocki, Director
Stephanie Castiglia, AV

CALL TO ORDER

President Levitt 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

August 27, 2015 Board Meeting

Mr. Schaefer moved the Board approve the August 27, 2015, Board of Directors meeting minutes as presented. Seconded by Dr. Rhein. *The motion passed unanimously.*

TREASURER'S REPORT

Mr. Schaefer reviewed the Association financial statements, as prepared by Association staff, for the period ending August 31, 2015. 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.

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

EXECUTIVE DIRECTOR'S REPORT

Mr. Paprocki reported that included in the Board packet is a sample parking/towing policy used by Shaw & Lines. He stated that it is his understanding that a member must

be given an opportunity to be heard by the Board before it can become a violation. Therefore, a 10-day notice letter must be sent, which allows the homeowner to be heard. If the homeowner complies by removing the vehicle, the Board must rule that it was a violation and the homeowner can be placed on notice. If the homeowner repeats the violation, the homeowner has already been given the opportunity to be heard and has been found in violation by the Board.

Mr. Paprocki explained that the Association would need to have a policy in place because towing is not covered in the CC&Rs.

Mr. Paprocki responded to questions and comments from the Board members regarding the proposed parking/towing policy that was submitted by legal counsel.

The Board also discussed that residents are entitled to have guest parking and suggested that guests be issued a parking permit.

Mr. Paprocki stated that he would revise the language in the proposed policy and present it to the Board for approval at a future meeting.

Mr. Paprocki provided an update on the resident's complaint regarding lawns in the common areas that are distressed. He reported Stonegate's turf area is comprised of 177,248 square feet or 4.06 acres. Approximately 4,000 square feet of turf is in severe stress and another 2,000 square feet of bare dirt located in shaded areas. As reported at the last Board meeting, August was the second hottest month on record for the average temperature. In 2016, the following steps can be taken:

- Reseed with new summer grass seed that grows in shaded areas.
- Increase summer fertilization to every four weeks.
- Lace trees to reduce canopies and shaded areas.
- Replace with new sod where required.

Mr. Paprocki stated if the Board agrees with the above recommendations, he can include the estimated costs in the 2016 budget.

Mr. Weissman moved that the Board approve funds not to exceed \$5,000 for the purpose of replacing the lawns in the common areas that are distressed. Seconded by Dr. Rhein. *The motion passed unanimously.*

Mr. Paprocki reported the lease on the Toshiba copier expires October 2015. Toshiba has been sent the required 30-day cancellation notice. He further reported he has been looking into a scaled-down small business copier that can meet the Associations needs. He added that if a favorable lease situation presents itself, the matter will be brought to the Board.

Mr. Paprocki reported that Halloween falls on Saturday this year. He further reported as in the past, he is contracting three Scottsdale Police Officers in two patrol vehicles to be on-site from 5:00 p.m. to 9:00 p.m.

Mr. Paprocki reported that a Saddleback resident has not trimmed their palm trees in their front yard. A special meeting of the Board may be required so the Board may take action in resolving this non-compliance issue.

Mr. Paprocki reported he received from Gryphon Roofing a proposal of \$1,550 to repair the East Gate porte-cochere damage from an accident. He reported that an insurance claim is being submitted to the commercial delivery carrier.

BOARD ACTIONS

Approval of Pinnacle Paving Proposal to reseal Stonegate Circle

Mr. Paprocki requested Board approval of Pinnacle Paving's proposal to reseal Stonegate Circle and Sections of Palomino East where seal coat is failing. This work will be done at no charge and will be done with the 2016 roadwork. He reported the Physical Property Committee and the Finance Committee recommend acceptance.

Dr. Rhein moved the Board approve Pinnacle Paving's proposal to reseal Stonegate Circle and Sections of Palomino East where seal coat is failing. This work will be done at no charge and will be done with the 2016 roadwork. Seconded by Mr. Schaefer. *The motion passed unanimously.*

Approval of PMIS 2016 Roadway Proposal

Mr. Paprocki requested Board approval of the PMIS 2016 Roadway proposal. The proposal is \$7,600, which includes: \$5,900 for inspection and project administration and \$1,000 for updating the Master Roadway Plan, which includes pricing. He reported the Physical Property Committee and the Finance Committee recommend acceptance.

Ms. Condon moved the Board approve PMIS 2016 Roadway proposal for \$7,600, which includes: \$5,900 for inspection and project administration and \$1,000 for updating the Master Roadway Plan, which includes pricing. Seconded by Dr. Rhein. *The motion passed unanimously.*

Approval of Creative Man bid for painting Community Center interior

Mr. Paprocki stated the Architectural Committee, Physical Property Committee and the Finance Committee recommend acceptance of the Creative Man bid for painting the interior of the Community Center at a cost of \$9,880.

Mr. Paprocki responded to questions and comments from Board members regarding the choice of paint color.

Dr. Rhein moved the Board approve the Creative Man bid for painting the interior of the Community Center at cost of \$9,880. Seconded by Mr. Weissman. *The motion passed unanimously.*

Approval of Creative Man bid for staining wood in Community Center

Mr. Paprocki stated the Architectural Committee, Physical Property Committee and the Finance Committee recommend acceptance of the Creative Man bid for staining all woodwork, cabinets, doors, and some furniture pieces in the Community Center at a cost of \$15,130.

Mr. Paprocki responded to questions and comments from the Board members regarding the staining project in the Community Center.

Mr. Schaefer moved the Board accept the Creative Man bid for staining all woodwork, cabinets, doors, and some furniture pieces in the Community Center at a cost of \$15,130. Seconded by Mr. Weissman. *The motion passed unanimously.*

Approval of Holiday Catering Contract

Mr. Paprocki requested Board approval of the Holiday Catering Contract. He stated based on 250 people, cost per person has increased \$1.50 due to an additional entrée and increase in food cost. The cost per person will be \$22.00 for 2015. The total cost for the 2015 Holiday Catering Contract will be \$5,500. He further stated this amount is within our budgetary constraints.

Ms. Condon expressed her displeasure that the menu is the same every year and felt the menu should be changed.

Dr. Rhein moved the Board approve the 2015 Holiday Catering Contract at a total cost of \$5,500. Seconded by Mr. Weissman. The motion failed by a vote of two (2) to two (2) with Ms. Condon and Mr. Schaefer dissenting and President Levitt abstaining.

President Levitt suggested the Board approve the catering contract with regards to the cost and number of people and instruct the Committee to provide the Board with two additional menu alternatives. Discussion ensued regarding this suggestion.

Mr. Schaefer moved the Board approve the 2015 Holiday Catering Contract subject to two menu alternatives being presented for Board approval. Seconded by Mr. Weissman. *The motion passed unanimously.*

DISCUSSION / NEW BUSINESS

Mr. Weissman stated that in his subdivision there are many full-time rentals and he has observed that the landscaping of the homes is not being maintained to the community's standards. He further stated that he felt the Board should be aware of this situation

because it is important that the community maintains their home values. He added that he would suggest they determine how many renters there are in the community.

Mr. Paprocki advised that this matter must be handled equally and the Association cannot discriminate against renters so he would suggest looking at the entire community. Discussion ensued regarding the fact that this is an aging community and how to encourage property owners to revitalize their properties to enhance values. It was suggested that the Board members continue to think about this issue and discuss recommendations at next month's meeting.

COMMITTEE REPORTS

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

Mr. Paprocki reported the newly formed Ad Hoc Committee met regarding the recreational amenities for Stonegate. He provided an overview of the Ad Hoc Committee's recommendation for the following amenities: Bocce Ball, Splash Pad, Restroom and Playground in the Retreat, and Workout room. He responded to questions and comments from the Board members regarding the proposed amenities.

Discussion ensued regarding the proposed recreational amenities. The Board discussed the survey should include the costs of each amenity and if an assessment increase would be required. It was determined that more information was needed.

The Board thanked the Ad Hoc Committee for all of their hard work creating this report.

Ms. Condon moved the Board accept the Ad Hoc Committee's report and requested additional details and hard numbers on the items 1-5 of the report. Seconded by Mr. Weissman. *The motion passed unanimously.*

Mr. Paprocki reported that a homeowner has installed artificial turf in their front yard and the Architectural Committee guidelines do not allow this. He further reported he is bringing this issue before the Board for discussion. The Board discussed this issue and will maintain the Architectural guideline that prohibits artificial turf in front yards.

ADJOURNMENT

Ms. Condon moved the Board adjourn at 8:00 p.m. Seconded by Mr. Schaefer. *The motion passed unanimously.*

**STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
OCTOBER 22, 2015**

APPROVED MINUTES

PRESENT: David Allen, Vice President
Nancy Ford, Treasurer
Leroy Rhein, Director
Tom Schaefer, Director

ABSENT: Don Levitt, President
Lori Condon, Secretary
Cary Weissman, Director

STAFF: Larry Paprocki, Director
Stephanie Castiglia, AV

CALL TO ORDER

Vice President Allen 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

September 24, 2015 Board Meeting

Ms. Ford moved the Board approve the September 24, 2015, Board of Directors meeting minutes as presented. Seconded by Dr. Rhein. *The motion passed unanimously.*

TREASURER'S REPORT

Ms. Ford reviewed the Association financial statements, as prepared by Association staff, for the period ending September 30, 2015. She advised that she has reviewed the bank statements and found they are in order. She responded to questions and comments from the Board members regarding the financials.

Ms. Ford and Mr. Paprocki provided an update on the delinquent accounts and responded to questions from the Board members.

Mr. Paprocki reported that there is a variance under account 6001 because equipment was stolen from the maintenance building that had to be replaced. He further reported that he has installed internet cameras on the inside and outside of the building.

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

EXECUTIVE DIRECTOR'S REPORT

Mr. Paprocki provided information on the VRBO legal action. He reported that one property owner has been served, and the second owner has not been served. He further reported that a motion requesting alternative service be granted was filed on October 7, 2015, and a decision from the Judge is expected with the next 10 days.

Mr. Paprocki reported that a joint Board and Finance Committee meeting is scheduled on Thursday, October 29, 2015 at 5:00 p.m., the Board and Finance Committee will meet to review the 2016 Proposed Budgets (Operating, General Reserve, and Roadway Reserves).

Mr. Paprocki reported that the Boutique Gift Fair is planned for Saturday, October 31, 2015 from 10:00 a.m. to 2:00 p.m. He further reported twenty plus vendors are participating with unique goods and gifts.

Mr. Paprocki advised Stonegate Community Association has contracted with Scottsdale Police Department to provide three officers using two patrol units from 5:00 p.m. to 10:00 p.m. As in the past, one unit will be assigned in the Retreat and the other will patrol Stonegate to ensure community safety. In addition, Safeguard will assign three officers to cover the Main Gate, East Gate and the Retreat Gate beginning at 4:30 p.m.

Mr. Paprocki provided information on the 2015 audit. He reported that Butler and Hansen are in their second contracted year. He further reported that he has contacted Gregg Butler to schedule the January date, and to inform them of accounting personnel change.

Mr. Paprocki provided a Community Center update. He reported the interior has been painted. Staining of the wood cabinets, doors and selected furniture is ongoing. Paint and stain work will be completed by the end of October. He further reported that he met with the Architectural Committee to discuss flooring. New selection will be submitted to them for their next scheduled meeting on Wednesday, November 4, 2015. After a selection is made, cost can be determined, and the matter will be presented to the required committees and to the Board for approval.

BOARD ACTIONS

Approval of Holiday Party Menu

Mr. Paprocki requested Board approval of Chef Christopher Wolf's Holiday Party menu:

1. Fried Coconut Shrimp with Tropical Fruit Salsa.
2. Carved Beef Tri-tip with rolls, whole grain mustard & Horseradish sour crème.
3. Orange Chicken stir-fry with vegetables.
4. Mushroom Risotto
5. Spicy Sausage with Marinara Sauce and fresh herbs.

Ms. Ford moved the Board approve the Holiday Party Menu. Seconded by Dr. Rhein. *The motion passed unanimously.*

COMMITTEE REPORTS

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

Mr. Paprocki stated included in the Board packet were the Ad Hoc Committee meeting minutes and a draft letter regarding the Recreational Amenities for Stonegate Community Association to be sent to the residents of Stonegate.

A discussion was held regarding the Board's concern with the Draft Letter.

The Board discussed the purpose of the Ad Hoc Committee was to create a survey to determine present and future recreation needs that the community may want. The Board wants to ensure Stonegate's viability amongst master planned communities so potential homeowners would consider buying within Stonegate.

Vice President Allen expressed his concern that the letter discusses converting a tennis court into a pickle ball court because that could potentially be taking away a common area amenity that is a vested right and could be a legal issue.

The consensus of the Board was to direct the Ad Hoc Committee to re-draft and resubmit a letter to the Board and focus on putting together a survey to obtain feedback from the community. It was suggested doing a click button email survey.

The next Board meeting will be held on Thursday, November 19, 2015 at 6:00 p.m.

The Board discussed whether a December meeting would be needed and it was decided to cancel the December meeting.

At the request of Vice President Allen, Mr. Paprocki provided an update on the status of the Parking Policy.

ADJOURNMENT

Mr. Schaefer moved the Board adjourn at 7:00 p.m. Seconded by Dr. Rhein. *The motion passed unanimously.*

**STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
NOVEMBER 19, 2015**

APPROVED MINUTES

PRESENT: Don Levitt, President
David Allen, Vice President
Nancy Ford, Treasurer
Lori Condon, Secretary
Leroy Rhein, Director
Tom Schaefer, Director
Cary Weissman, Director

STAFF: Larry Paprocki, Director
Stephanie Castiglia, AV

ALSO

PRESENT: Cordell Overgaard
Mike Stevens
Court Rich

CALL TO ORDER

President Levitt 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'S FORUM

Cordell Overgaard thanked the Board for the opportunity to discuss his concerns regarding the business that is being run out of a residential property next door to him. Mr. Stevens stated that he is a neighbor residing on Arabian Park Drive in the adjacent equestrian properties and he is opposed to a commercial business being run out of a residential property.

Court Rich, Zoning and Land Use Attorney, stated back in February of this year that lot changed owners and Mr. Overgaard who lives next door started seeing lots of cars and activities going on. After research, he learned that Hunkapi, which is a wellness center that provides holistic services, is being run on that property. He reviewed the type of services that are being provided on this property. He reported this property is zoned

single-family residential and is not zoned as a business property. He further reported that the owner's have submitted an application for a Conditional User Permit (CUP). He advised that these activities were occurring on this property before they submitted an application and the City issued a violation notice. He further advised that the entire street is against this request.

Mr. Rich responded to questions and comments from the Board members regarding this property.

Mr. Rich advised that he wanted to ensure that Stonegate is informed because the request for a CUP may have negative impacts to Stonegate. He further advised that this type of request could set precedence in Scottsdale that hurts everybody. He requested that Stonegate write a letter to the City of Scottsdale to encourage them to reject the CUP request by Hunkapi.

MINUTES

October 22, 2015 Board Meeting

Ms. Ford moved the Board approve the October 22, 2015, Board of Directors meeting minutes as presented. Seconded by Mr. Schaefer. *The motion passed unanimously.*

TREASURER'S REPORT

Ms. Ford reviewed the Association financial statements, as prepared by Association staff, for the period ending October 31, 2015. She advised that she has reviewed the bank statements and they are in order. She responded to questions and comments from the Board members regarding the financials.

Mr. Paprocki provided an update on the delinquent accounts. He requested that an Executive Session be held after this meeting to discuss a delinquent account.

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

EXECUTIVE DIRECTOR'S REPORT

Mr. Paprocki reported that the Group Health Care Coverage that the Board approved in September is under administrative review and they will be closing their doors effective December 31, 2015. He further reported he should get the bids back for the group insurance companies within the next 10 days and the Board will need to take action. He responded to questions and comments from the Board members regarding this matter.

Mr. Paprocki reported that he has reviewed all our documents regarding on-street parking, made some phone calls, and got the Rules Committee back together and he should have a draft for the Board to review by the next meeting.

Mr. Paprocki stated the Holiday Party is scheduled for December 10, 2015 from 5:30 to 7:30 p.m.

Mr. Paprocki reported that he has sent out a number of 10-Day Notice letters regarding transition to winter turf and on-street parking.

Mr. Paprocki requested an Executive Session be held after this meeting to discuss the VRBO legal action.

BOARD ACTIONS

Approval of 2016 Operating & Reserve Assessments

Mr. Paprocki stated the Finance Committee recommends a \$3.00 increase in the Operating assessment and a \$2.00 increase in the General Reserve assessment. The new assessment will be \$153.00 for operating and \$25.00 for Reserve, for a total assessment of \$178.00. This represents a 2.89 percent increase from 2015.

Mr. Schaefer moved the Board approve the 2016 Operating & Reserve Assessments as outlined above. Seconded by Mr. Weissman. *The motion passed unanimously.*

Approval of 2016 Roadway Budget

Mr. Paprocki reviewed the roadway projects for 2016 and requested Board approval.

Mr. Weissman moved the Board approve the 2016 Roadway Budget. Seconded by Dr. Rhein. *The motion passed unanimously.*

COMMITTEE REPORTS

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

Ms. Ford stated that she and Mr. Schaefer met with the Ad Hoc Committee regarding what the Board would like to see in the survey. She further stated that she felt the Committee understands the goal of the survey.

ADJOURNMENT

Dr. Rhein moved the Board adjourn into Executive Session at 7:00 p.m. Seconded by Mr. Allen. *The motion passed unanimously.*