

**MINUTES OF THE MEETING
OF THE GAINNEY RANCH COMMUNITY ASSOCIATION
BOARD OF DIRECTORS
March 16, 2010**

A Board of Directors meeting of the Gainney Ranch Community Association was held Tuesday, March 16, 2010, at 8:30 a.m. at the Daniel C. Gainney Estate Club, Scottsdale, Arizona.

Members Present

Dick Lockwood
Eugene Kaulius
Shannon Vaughan
Patrick Collins
Tom Cochill

Jim Funk, Donna Corcoran and Monika Goodwin were present by invitation.

Mark Slicker, homeowner, was present for all but the closed portion of the meeting.

Chairman Dick Lockwood called the meeting to order at 8:30 a.m.

Monika Goodwin was asked for the Affidavit to verify that proper notice of the meeting had been duly given to all association members. Chairman Lockwood directed that it be attached to and made part of the minutes.

Chairman Lockwood asked for any changes or corrections to the minutes of the February 9 and February 24, 2010, meetings. None were required and the minutes were approved and accepted unanimously as published.

Chairman Lockwood invited Donna Corcoran to talk about the January 31 financials. Corcoran reported that operating expenses were \$11K ahead of budget. The Board briefly discussed aged receivables.

Corcoran next reviewed the Trower Reserve Study results, as reported by Paul Trower, the reserve consultant, who was commissioned to review the adequacy of the GRCA reserves. While Trower's report indicated that GRCA was on target in most reserve line items, his recommendation is that GRCA is under-reserved for gate replacement on all Gainney gates. GRCA has not reserved for gate replacement because those items have a 40 year life and GRCA only reserves for assets with 20 year life, or less. Additionally, GRCA management believes that its continuing careful maintenance of the gates will extend the life of the gates, so that GRCA is correct in not reserving for replacement at this time. The other notable difference was the replacement of the seven tennis courts which Trower estimated at \$400K versus GRCA's \$300K. The cost to incorporate all Trower's recommendations would increase each homeowner's 2011 monthly assessment by \$3.42 and the commercial members \$.64 per membership. The other option is to allocate some portion of the current Excellence Fund to the deficit balance at the end of 2010, which would decrease the 2011 Reserve Requirement. After some discussion, the Board directed Funk and Corcoran to further investigate the anticipated tennis court (and other) reserve expenditures to determine if alternative approaches may result in cost savings.

The Board next considered the 5-year capital plan (for the Excellence fund). Corcoran reviewed the cash flow considerations of the 2010 portion of the plan, with corresponding discussion of the CD investments and current maturities. While a \$100,000 CD is scheduled to mature in March 16, 2010, the Board unanimously approved reinvesting only \$50K for one year at 1.48% with Everbank, to ensure adequate cash reserves for the approved 2010 Excellence expenditures. Funk spoke about the comparison of various vendors and options regarding software and video surveillance cameras. After discussion, the Board directed Funk to get more information about the companies and current clients, as well as details of leasing versus buying, by the April board meeting. Kaulius asked to have additional information and to consider inclusion of the RFID system this year. Regarding the Yardi software upgrade, once the e-mail capability is installed (part of the initial purchase), the need for further upgrades will be re-evaluated.

Funk reviewed the 2010 Water Initiative with the Board and answered questions.

Funk and Corcoran reviewed the Maintenance Budget Model with the Board and answered questions.

The Board reviewed the standing committees and their members. Brand versus Image was discussed. Cochill asked if all committees had charters and suggested drafting charters for those that did not. The Board appointed Cochill to chair the Security Committee, Kaulius to chair the Maintenance Committee, Collins to chair the Image Committee and the Architectural Committee, and Lockwood to chair the new Excellence Fund Committee. Additionally, Cochill was appointed alternate to the Architectural Committee. Barry Talley continues to chair the Estate Club Committee, Mike Golombuski the Tennis Committee and Alan Lezak continues as the one-man Government Affairs Committee. The Board accepted the committee compositions as recommended although a few are not complete.

The Board next unanimously adopted the policy to make loans from GRCA reserve funds to itself as well as to Satellite Associations. Each loan will be considered on a case-by-case basis.

The Board reviewed the proposed agenda for the Council of Presidents meeting. The Board agreed that the date and time will be 4 pm and Wednesday, April 7, 2010.

The Board postponed discussing the benefit renewal information to some later date.

Chairman Lockwood called for an Executive Session to review the legal summary from the Mulcahy Law Firm.

The meeting was adjourned at 11:20 a.m.

Submitted,

Monika S. Goodwin
Administrator