

**MINUTES OF THE ANNUAL MEETING
OF THE GAINNEY RANCH COMMUNITY ASSOCIATION
FEBRUARY 23, 2022**

The annual meeting of the GRCA was held on February 23, 2022 at 6:00 p.m. at the Gainey Ranch Golf Club, Scottsdale, Arizona.

Board Members Present

Karen Epstein
Eugene Kaulius
Doug Phares
Earlene Nelson

Others Present

Jim Funk, GRCA Executive Director
David Merrill, CPA, GRCA Controller
Anne Blazek, Director of the Estate Club
Mike Anderson, Director of Security

The meeting was called to order by GRCA President, Karen Epstein. Epstein introduced the rest of the Board and staff. A quorum was present. She next asked for a motion to approve the 2021 minutes. A motion was made, seconded, and the minutes were approved.

Karen welcomed all. She stated that comments should be limited to three minutes per person. She spoke about when and why the Estate Club was planned and built, 79% of those who voted were in favor of building a new club. Covid 19 generated a lot of changes – in many parts of people's lives.

Two directors' positions are available. There were no nominations from the floor, ballots were collected and tallied – Eugene Kaulius and Karen Epstein were re-elected.

Karen introduced David Merrill, the GRCA Controller, who gave the financial update. The GRCA has 3 separate funds: Operating - day to day activity, Reserves - to replace and repair assets (currently \$395K balance), Capital - for new assets that are not on the reserve schedule (current balance \$670K). The budget process starts in August, and service hours, expenses and initiatives are considered. This process determines the amount of the assessment for the coming year. During 2021, 121 sales generated over \$470K in enhancement fees.

The reserves are healthy (\$395,000), and able to handle any short-term project while ensuring long-term projects are also funded.

Receivables, the outstanding charges at month's end, were very low. The board works with an attorney to reduce the number of accounts that are in arrears. The unqualified financial audit opinion, from Hansen Butler PC, commended the GRCA staff on the financial controls. The board strives to meet budget and provide the best service possible to residents. If there are any questions, please contact David and he can discuss more in detail.

Jim Funk spoke about irrigation water usage – which is tracked by gallons. In 2009, the use was near 100 million gallons, and Jim and the Board instituted a water initiative. Within one year, irrigation water consumption was down by 20 million gallons. In the intervening years, usage stayed low and then crept up due to drought conditions and rising temperatures. Current usage (2021) was near 90 million gallons. The summer was the hottest on record 104 days with temperatures over 100 degrees and 22 days where temperatures topped 110.

The temp service that GRCA Maintenance employed is short-staffed and was unable to supply the number of laborers that GRCA used previously. The minimum wage will be \$15 in Arizona –

that is what GRCA uses to compete in the job market. The GRCA was under budget by \$98,000 – the overage was returned to the various satellite communities.

Jim spoke about the Estate Club Project history. A construction contract was signed with Gcon Construction in 2019. The original contract called for a “plain, vanilla” structure. Mutual of Omaha was selected to fund construction - a 20-year loan at a fixed interest rate of 4.1% for term of loan (\$5,615,000) which included a small, previous loan balance. Delays were experienced due to Scottsdale’s permitting process – especially the Certificate of Occupancy. It was finally issued February 9, 2022.

The additional costs were for upgrades that the Board and Anne approved. The front entry area was upgraded; also the flooring in the social area and the patio. The ceiling and windows were upgraded as well as the plumbing and restroom fixtures. Due to Covid precautions, virus and bacteria prevention equipment was added. Built-in heaters and fans enhanced the patio area and some as well as unanticipated utility upgrades were also needed. There was no change to the loan balance – money from the Capital fund paid for the upgrades.

Management purchased Club Automation software – which will be utilized by homeowners to locate, register and pay for events.

Jim Funk thanked all the homeowners who participated in various committees. All candidates were re-elected.

Funk opened the floor to questions.

A homeowner expressed concern regarding the former hotel building at the northwest corner of Mountain View and Scottsdale Roads. Jim explained that he and Mike Anderson have been in contact with the City of Scottsdale and the Scottsdale police. The building and its uses will be scrutinized by the police and GRCA Security.

Several questions were about discontinuing fees for certain estate club activities.

A few owners suggested the Council of Presidents negotiate with the GRCA Board of Directors.

Many were clearly upset about fees and limitation for visiting family members. A few others spoke about no fees at all or a different fee structure.

The meeting was adjourned at 7:50.

Submitted,

Monika Goodwin,
GRCA Administrator