

**MINUTES OF THE ANNUAL MEETING
OF THE GAINNEY RANCH COMMUNITY ASSOCIATION
FEBRUARY 26, 2020**

The annual meeting of the GRCA was held on February 26, 2020 at 7:30 p.m. at the Gainey Ranch Golf Club, Scottsdale, Arizona.

Board Members Present

Karen Epstein
Eugene Kaulius
Shannon Vaughan
Doug Phares
Earlene Nelson

Others Present

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

The meeting was called to order at 7:30 by GRCA President, Karen Epstein. Epstein introduced the rest of the Board and staff. She next asked for a motion to approve the 2019 minutes. A motion was made, seconded, and the minutes were approved.

There was a proposal for funding the Estate Club project. There were mixed reactions. 678 members voted on the project which represents 66% of GRCA residents. Of those, 501 members approved (73.9%) the project. Jim Funk and David Merrill will negotiate terms. With the project, the administration building will be remodeled. Additional landscaping at the entrances was also approved. There will be new irrigation. There were 243 architectural approvals made, mostly interior home remodels, as well as replacement windows and doors. The Gainey Ranch website was also upgraded. All of this is adding value and improving property value.

Jim Funk spoke about the election. Karen, Eugene, and Shannon are on the ballots. A quorum is present. There were no nominations from the floor.

David Merrill gave the financial summary. The GRCA has 3 separate funds: Operating - day to day activity, Reserves - to replace and repair assets, Capital - for new assets that are not on the reserve schedule. 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. In 2019, total revenue was a little over budget.

The reserves are healthy and able to handle any short-term project while ensuring long-term projects are also funded. Reserves were at \$219K in 2019, and expenses were \$117K. In 2019, there were 90 sales.

The balance on the \$2.15 million loan is now \$1,219,379. Gainey will continue to pay the same amount towards the loan during construction. This loan will be rolled over into the new loan at a lower rate. Expenses for capital projects in 2019 was \$135K.

Receivables, the outstanding charges, were at \$12K in 2019 compared to \$10.5K in 2018. The board works with an attorney to reduce the number of accounts that are in arrears. The unqualified financial audit opinion 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 clarified about the water usage. The water is tracked by gallons.

Reserve Fund remaining strong while continuing to improve infrastructure. Capital fund provided funding to service loan in 2019. The AZ minimum wage will be \$12 in Arizona. GRCA starts workers at \$13.50 to compete in the job market.

A majority voted to approve Estate Club improvements. The proposal to increase the ½ percent enhancement fee did not pass, the \$15 increase to the Estate Club monthly assessment for construction of the Estate Club will start on April 1, 2020

With the Estate Club progress on the project: The construction contract was signed with Gcon Construction. Mutual of Omaha was chosen to fund construction - a 20-year loan at a fixed interest rate of 4.1% for term of loan. Loan origination fee of 0.25%; collateral is the capital fund and Estate Club fee. The area for fitness will increase from 1500 to 6000 square feet, social space from 900 to 4900 sq feet. GRCA management is reviewing 3 bids for all aspects of construction. The pool and tennis courts will stay open. For gym use, Anytime Fitness will allow members to use their facilities while fees are paid by GRCA. Jim spoke about uses of areas on the diagram of the future facility.

Crime remains very low at Gainey Ranch. There was an incident involving an open garage door - items were taken. Please call the Security service to assess your home for vulnerable areas.

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

Funk opened the floor to questions. Landscaping around the Estate Club will be renovated. Tim McGough, GRCA's landscape architect is involved. Most projects will be reviewed by the various committees so members will have a chance to comment.

Regarding work on the median of Via de Ventura, it is a McCormick Ranch project.

The loan will be repaid at \$550K annually. That will be \$200K from members, \$165K from the Capital Fund and \$240K from the enhancement fees – which were calculated using lowest number of sales in a year.

Solar applications are being considered but must fit the established budget. Parking should increase up to 85 spaces.

The location of pickleball courts is under review. An acoustic engineer was hired to research and give recommendations and input from surrounding communities is being sought.

Parking, while construction is ongoing, will be a challenge.

The current interior space in the Estate Club is 6000 sq feet and is expected to increase to 15,000 sq feet.

Some questions were not readily answerable. Some operating costs are, at this point, purely speculative. Jim said he and the board are working on the numbers.

The meeting was adjourned at 8:47.

Submitted,

Deborah Goodwin