

**MINUTES OF THE MEETING  
OF THE GAINNEY RANCH COMMUNITY  
ASSOCIATION BOARD OF DIRECTORS  
June 7, 2023**

A Board of Directors meeting of the Gainey Ranch Community Association was held Wednesday, June 7, 2023, at 9:00 a.m. via ZOOM and in the meeting room at the Estate Club in Scottsdale, Arizona.

**Board members present**

Karen Epstein  
Richard Brown  
Eugene Kaulius  
Andy Orent

Jim Funk, David Merrill and Monika Goodwin were present by invitation. President Karen Epstein called the meeting to order at 9:04 am.

President Epstein asked for any changes or corrections to the minutes of the April 10, 2023 meeting. None were required and the minutes were unanimously approved as published. NOTE: The approved minutes of the emergency board meetings of April 21 and May 10 are filed with the Executive Director.

Karen next introduced Paul Hansen and Neil Butler of Butler Hansen PC, the auditing firm. Hansen presented the GRCA Financial Statements as of December 31, 2022 – Gainey Ranch received an unqualified opinion – the best possible result. He thanked the Gainey Ranch team for its cooperation in the audit of the 2022 financials, without difficulties in dealing with management in performing and completing the audit. Paul mentioned that Butler Hansen completes audits for over 1500 associations annually and finds Gainey Ranch in the top 5% for strong financial controls. He further confirmed the financial statements for 2022 are presented fairly in all material aspects regarding the financial position of the GRCA as of December 31, 2022; its operations and cash flows are conducted in accordance with generally accepted accounting principles in the USA. Paul also stated that, from his perspective, Gainey Ranch runs on an efficient tight margin in operating or reserves funds and believes the board should review and address both.

Karen invited David Merrill to speak about financials. David reviewed the April financials which showed a balance sheet for operating cash of \$365,036, reserves of \$313,700 and capital reserves of \$490,257. The operating budget and subsequent operation revenues resulted in a net operating surplus of \$39,572. David spoke to specifics for reserves that may impact the 2023 budget. Finally, David spoke to the receivables balance of \$43,782, much of which was received by May 31, 2023.

David next presented the 2023/2024 employee health benefits renewal. GRCA currently provides three deductible options. The \$1,000 deductible premium increased by 5.32%, the \$2,500 deductible increased by 5.18% and the \$6,150 deductible increased by 23.78%. Gallagher Benefit Services placed the GRCA package out to bid with Cigna, BCBS, Humana and Aetna. Aetna Banner had the least increase of those health plans that bid. GRCA, by board policy, shares the cost of premiums 25/75 for employees; 35/65 for dependents of employees. Dental increased by 10.34% with GRCA picking up the expense for employees and

employees paying 100% of their dependent cost. The program includes an HSA match for the \$6150 deductible plan. Currently just over half of the 50 eligible employees take health insurance. To further address health care, GRCA pays \$4,000 per year for Teladoc benefit for all employees. Discussion by the board with suggestions for future to eliminate the \$1,000 deductible plan and provide more contribution to the high deductible plan would result in saving to the GRCA plan. The benefit plan was approved by the GRCA board with an increase to the HSA GRCA contribution from \$500 per year to \$1,000 per year.

## **Committee Reports**

### ***Financial Committee – Eugene Kaulius, Chair***

Kaulius discussed the various topics from operating financials to reserves that were discussed by the committee with the goal of a solid review of current processes and transparency of the GRCA financials. The committee determined the current Yardi software was sufficient and meets the financial needs of the community. As to transparency, David Merrill has approached Yardi to create a portal that will allow members to review monthly statements for GRCA and satellite communities. Overall, the committee appreciated participation and a frank approach by management in all committee discussions. The committee recommended that the reserve funding threshold be increased to 25% from the current 20% and that financial statements be available on the portal on a monthly basis.

### ***Tennis Committee – Mike Tucker, member***

Mike discussed the various considerations the Estate Club Operations has been discussing and believes the current tennis program for outside members, which has existed for more than 30 years, was successful in supporting homeowner tennis member play and should not be modified. Further, that management should continue to manage program and report back to the GRCA Board as necessary.

### ***Estate Club Operations Committee – Richard Brown, Chair***

Rick Brown presented the policies the ECO committee recommended with the voting outcome of members on the committee. After some discussion, the Board took up a recommended policy by topic and voted on each topic individually, resulting in a compromise between the tennis committee recommendations and the ECO committee recommendations. The GRCA Board recognizes the value of the Sponsored Tennis Member program to homeowners who play tennis through diversity of play and passion for tennis. The requirement that all outside tennis members must be sponsored by homeowner tennis members, and a new rule, Sponsored Tennis Members will be allowed to warm up in the fitness center prior to participation and after tennis for cool-down when participating in the tennis program, and the use of courts social areas, restrooms, and water/ice machine. Estate Club social events, pool usage, and general usage of the fitness center are no longer part of the tennis program. Management is charged with implementing the program as approved by the GRCA Board.

### ***Pickleball Committee – Marc Estvold, Chair***

Marc reviewed the fast growth of pickleball within the GRCA community from 2021 to 2023 for the October to March season. The growth has been dynamic, bringing homeowners together to meet and play pickleball. Marc stated the tennis committee and the pickleball committee met and agreed upon several issues including a use policy in sharing courts. Management will have pickleball lines placed on the courts prior to October 2023 to allow

tennis and pickleball to share this court. Marc further thanked management for its cooperation in numerous activities around pickleball.

***Communication Committee – Andy Orent, Chair***

Andy defined the mission of the communications committee resulting in the following focus that was ongoing. Recommendations are to improve Estate Club communications to residents, improve usability of Club Automation, and assist Jim Funk in the roll-out of a new, revised and updated website.

***Security Committee – Stuart Stoloff, Chair***

Stuart discussed the review of the training program for gate and patrol officers. A recommendation from the committee was for management to increase the wages to be more for retention and attract good candidates to Gainey Ranch. The committee discussed with Mike Anderson, Director of Security, the 10,000 entries per month coming through gates into the community, specifically discussing new call boxes and entry systems. Additional discussion by the committee was Security initiatives to protect homes from crime, which included security monitoring and the bulk service monitoring provided by GRCA and whether consideration of adding to the Cox bulk agreement should be explored.

***Fitness Committee – Rick Robbins, Chair***

Jim Funk summarized the report and positive review which has resulted in new fitness equipment, cleaning of equipment and the committee's role. The committee is pleased with the current fitness program and equipment.

***Social Committee – Lynne Ballinger, Chair***

Jim Funk spoke to the report submitted by the social committee with a statement that the committee has done a terrific job in creating new events. In essence, the committee was provided with a budget and the ability to spend within that budget creating new events for the club. This has been an outstanding success resulting in a wide range of events and an approach to support those events which significantly increased owner participation. This approach by management and the committee will continue into the budget process for 2024, allowing the social committee to drive new events promoting use of the club.

Jim Funk discussed the resignation of the non-residential board member, Teri Reichardt, who had relocated. Jim Funk and Karen Epstein brought forward a candidate who expressed interest in filling the position. Carey Snyder Hyatt is a mediation attorney and has an office in The Gainey Ranch Financial Center. The board approved Hyatt's appointment subject to a CC&Rs review for procedure by the GRCA attorney.

Jim Funk discussed the approved capital projects and their current progress.

Website upgrade revision. Three tech companies bid on the re-build and Jim is reviewing bids to award a contract. The goal is to bring a new website online prior to October 2023.

Estate Club Acoustic Environment. An acoustical engineer has been employed to test and make recommendations on the reverberation/reflection of noise in the entry and social areas. The test resulted in recommendation of two companies that could provide resolution. Both companies met on site and are in the process of providing bids to resolve the issue. The goal is to resolve this noise issue prior to November 2023.

Estate Club Back Lawn. In April, the GRCA board committed funds to complete the landscaping in the back lawn, tying the landscaping to that of the Cottages and Courts

condominiums. Management and members of both communities have met and agreed upon the project which will be completed late June 2023.

Rick Brown asked about securing the Estate Club pool. Management will work with the Security Director to find a solution and the cost to implement.

Regarding door-to-door political solicitation, the Arizona legislature is currently working to amend HB 2301.

At 1:45, President Epstein called for a motion to adjourn the meeting. She received a motion, a second, and the meeting was adjourned.

Submitted,