

**MINUTES OF THE MEETING
OF THE GAINNEY RANCH COMMUNITY
ASSOCIATION BOARD OF DIRECTORS
November 28, 2023**

A Board of Directors meeting of the Gainney Ranch Community Association was held on Tuesday November 28, 2023, at 9:00 a.m. via ZOOM and in the meeting room at the Estate Club, Scottsdale, Arizona.

Board members present.

Karen Epstein – President
Eugene Kaulius – Vice President
Richard Brown - Secretary
Andy Orent – Treasurer
Carey Hyatt – Non-residential Board member

Jim Funk, David Merrill, and Monika Goodwin were present by invitation. Approximately 15 members were present via Zoom and 18 members were present in person.

The meeting was properly noticed, a quorum was declared, and President Epstein called the meeting to order at 9:04 a.m.

President Epstein stated that homeowner comments should be limited in duration at the conclusion of the Board meeting. Mr. Brown made a Point of Order that limiting comments in that manner was improper under the Arizona Open Meetings Act, A.R.S.33-1804 and that homeowner comments were to be taken prior to any vote on an Agenda item. The Board concurred and the Act will be followed by allowing homeowner comment.

President Epstein asked for any changes or corrections to the Minutes of June 7, 2023 meeting.

Prior to the vote to approve the Minutes, Rob Ekern (Oasis #108) raised a Point of Order concerning the reporting of several prior meeting minutes.

Point of Order 1 – The June 7, 2023 Minutes reflect that there were several votes on different aspects of the Sponsored Tennis Program. Mr. Ekern asked that the Minutes of that meeting be amended to include the various topics and the resolution of each evidencing Board members' votes. The Board agreed to amend the Minutes accordingly.

Point of Order 2 – On October 30, 2023 the GRCA sent out what was titled "GRCA Board Meeting Notes October 19, 2023". Mr. Ekern raised a Point of Order regarding the fact that the Minutes of the October 19, 2023 meeting had not been approved or ratified by the Board until November 9, 2023. Therefore, the mailing sent by management on October 30 was incorrect and out of order. The Board agreed that management was not to send out unratified or unapproved meeting notes in the future pending Board approval of the Minutes.

Following additional discussion and a correction to the vote taken on the Amendment to the Declaration and Bylaws (Kaulius, Epstein, Brown and Orent in favor; Hyatt opposed), the Minutes were unanimously approved. The Board agreed however that Ms. Epstein should have been allowed the opportunity to change her vote to “opposed” on the issue at the last meeting although the outcome of the vote would not have changed.

Mr. Brown stated that all approved Minutes are to be uploaded to the Association website immediately following approval. Ms. Hyatt moved, with Mr. Brown’s second, that the Secretary should send out draft Minutes for comment as soon as possible and prior to the next Board meeting. Mr. Brown stated that all comments to the draft minutes should be copied “reply to all”. The motion passed unanimously.

Mr. Funk stated that the representative of the Scottsdale Police Department was unavailable and would be rescheduled to discuss security.

Mr. Funk reported that he had convened a meeting of the Council of Presidents on November 15, 2023 and that the Presidents were in general agreement on the \$23/member/month increase which had been passed by the Board.

Mr. Ekern raised a Point of Order that the Council meeting had not been noticed to the homeowners who were thus denied the opportunity to attend.

Mr. Brown stated that he had attended the Council meeting – as did Ms. Epstein, Mr. Kaulius and Mr. Orent – and that he was disappointed that items brought to the attention of the Council; namely, Board term limits and family guest fees, were not addressed in the meeting. Mr. Funk and Mr. Kaulius stated that they had run out of time at the meeting after the budget discussion.

The issue of residential court fees was again raised. Mr. Kaulius, with a second by Ms. Hyatt, moved that the \$25/person monthly court fee be reduced by \$5/year over 5 years commencing in 2024. Mr. Orent moved to amend the motion to reduce the fees over 3 years. The amendment failed to receive a second. Mr. Brown stated that he was opposed to any court usage fee for residents who should be treated in a non-discriminatory and non-divisive manner like usage of the fitness center, pool and social hall, none of which pay usage fees. Mr. Brown also pointed out that fitness classes which cost the Club approximately \$30,000/year do not charge for attendance.

The Chair opened the meeting to homeowner comments and 7 homeowners took the floor in turn. Comments were varied. Charles Page (Villas III) spoke extensively about a survey he had conducted of public and private health clubs in a 25-mile radius of GRCA – none of which were in a master plan community however – and addressed “fairness” in charging fees. Rob Ekern (Oasis) commented that all clubs in the survey were “for profit” and did not involve responsibility for payment of an enhancement fee. Gary Lev (Golf Villas) brought up the fact that GRCA members are paying for a \$6M mortgage across the entire Estate Club and there is no reason to focus on the expenses of the fitness center which had been previously spent. Kevin Coble (Courts) stated that GRCA is not comparable to the Village Club and questioned why only pickleball and tennis are being targeted for a usage fee but not the pool or fitness

center – where members attend classes for free. Leslie Kaye (Estates) addressed the point that the Board’s responsibility is to act in the best interests of all homeowners and to avoid discrimination against a select group. A question was asked where the usage fees went and Mr. Funk stated that the fees were deposited in the general operating revenue and not specially allocated to court maintenance and repair.

At the conclusion of the homeowner comments, Mr. Orent pointed out that the comparison to the Village Club in particular is flawed. He also asked why management’s analysis for the courts, pool and fitness center failed to include capital expenses for each and/or allocation of the mortgage expense.

Mr. Brown, with Mr. Orent’s second, moved to eliminate the \$25/member/month court usage fee. The motion failed (Brown and Orent in favor; Epstein, Kaulius and Hyatt opposed).

Mr. Orent, with Mr. Brown’s second, moved to reduce the court usage fee over 3 years. The motion failed (Brown and Orent in favor; Epstein, Kaulius and Hyatt opposed).

Mr. Kaulius, with Ms. Epstein’s second, moved to reduce the court usage fee by \$5/year over 5 years. The motion passed (Kaulius, Epstein and Hyatt in favor; Brown and Orent opposed). Mr. Brown raised the point that the nonresidential members do not have access to the Estate Club pursuant to the CCRs and, because they do not pay any assessment related to the Estate Club, that Ms. Hyatt should recuse herself or abstain from voting on Estate Club matters even though she may have the right to vote. Ms. Hyatt declined to do so.

President Epstein turned the meeting over to Vice President Kaulius.

Mr. Kaulius, with Ms. Epstein’s second, moved to increase the members’ monthly assessment by \$23 as previously discussed (see November 9 Minutes for detail). Such amount includes \$2/month to be allocated to the Capital Reserve but fails to include a \$2/month charge to eliminate the court fees. The motion passed (Kaulius, Epstein and Hyatt in favor; Brown and Orent opposed).

Mr. Funk stated that the maintenance allocation to the satellite communities would remain the same in 2024. He predicted that 2023 enhancement fees are expected to exceed \$543,000 despite the fact of fewer home sales.

Ms. Hyatt moved, with Ms. Epstein’s second, to amend the previously approved Amendment to increase the Board by 2 additional residential members by adding 1 residential member and 1 nonresidential member. The motion failed (Epstein and Hyatt in favor; Brown, Orent and Kaulius opposed). Ms. Hyatt asked to delay implementation of the previously approved Amendment of the Declaration and Bylaws.

It was unanimously agreed that the November 30 deadline for residential Board candidates to declare their candidacy would be extended until December 15 and until December 29 for nonresidential Board candidates. Mr. Funk is to send to the Board a proposed schedule of relevant dates leading up to the February 28, 2024 Annual Meeting.

A discussion ensued about the elimination of the Gazette in favor of an email from management and/or posting on the GRCA website. It was unanimously agreed that any such communication shall first be vetted by the Board before publication. All comments by Board members shall be made by "reply to all" emails. Any such publication shall not infer that it is in lieu of the posting of approved Board Minutes.

Mr. Funk brought up the subject of proposed Board meeting dates in 2024. There were no dates proposed in June, July or August. Mr. Brown, with Mr. Orent's second, moved that dates should be established in July and August. The motion was defeated (Brown and Orent in favor; Epstein, Kaulius and Hyatt opposed). Ms. Hyatt, with Mr. Orent's second, moved that July 18 be set as an additional Board meeting. The motion passed with Ms. Epstein abstaining.

Mr. Funk reported that the Sponsored Tennis membership was down at this time but would get an update for the Board as more outside members are contacted. Mr. Kaulius offered his thoughts on the reasons "why" the departures from the program occurred.

Mr. Orent brought up as Old Business the issue of the Friends, Family and Guest passes although there was no action taken on the subject and the Estate Club policies will remain the same.

There being no items to discuss in Executive Session, the Board meeting was adjourned at 12:30 p.m.

Submitted by:

Richard I. Brown, Secretary