

# **GRCA Master Board Meeting Minutes**

## **March 20, 2025**

The meeting was called to order by Eugene Kaulius and the proof of notice letter was acknowledged and was read into the record. The minutes from the January 23rd Board meeting was approved unanimously by the board.

Eugene welcomed everyone to the board meeting and introduced the new board member, Jamie Low to everyone in attendance. Eugene, also introduced the entire GRCA management team, and the other board members as well.

The officers for the upcoming year are:

Eugene Kaulius. President

Andy Orent. Vice President

Gary Lev Treasurer

Carey Hyatt Secretary

Jamie Low Member at Large

Eugene also stated that all members would have a chance to provide input, feedback, commentary and ask questions during the meeting. He asked that all comments and questions be held until the item was presented.

### **Meeting Agenda**

#### **Financial Report-Sandi Drimil**

##### **Financial Report and Reserve Funds**

- Sandi presented the financial report for February, comparing it to the year-end 2024 and plan.
- Operating cash is at \$155,000 and is down slightly due to expenses in the first two months, but plans are in place to build it back up.

- Reserve cash is at \$648,000, up almost \$50,000 from year-end, and capital funds are up about \$75,000.
- Sandi explained the difference between reserve and capital funds, with reserve funds used for repair and maintenance, and capital funds for new improvements.

### **Discussion on Accounts Receivable and Balance Sheet**

- There was a question about the normalcy of accounts receivable being under \$75,000.
- It was then explained that it is usually around that amount, with some timing issues affecting the balance.
- Sandi clarifies that the balance sheet is a snapshot in time and can fluctuate daily.
- A resident expressed concern about the balance sheet showing a significant cash deficit, but Michael Hunter reassures that it will balance out by the end of the year.

### **Operating Fund and Income Statement**

- Sandi presented the operating fund revenues, which are up compared to budget by about \$25,000, with the estate club and health and wellness part over budget.
- Payroll is over budget by \$32,000, but expected to come back into line next month. This occurred mainly due to an overlap of our new Executive Director and Jim Funk during a mentoring period that the board wanted for Michael.
- G&A expenses are \$6,000 over budget, but almost break-even.
- Utilities are \$13,000 over budget, and security expenses are \$5,000 over budget, but overall expenses are almost break-even.

### **Reserve Fund and Capital Fund**

- Sandi discussed the reserve fund inflows of \$53,000, sharing that the expense in painting of wrought iron fences and January and February assessments will affect the reserve fund cash flow at this time.
- The community enhancement fund has received \$133,000 to date, helping the capital fund. An estimate was also provided for the full year, based upon the currently listed projects in the community.
- Expenditures on the capital fund are less, with \$21,000 spent on various projects.
- The loan payments for the year are \$499,000 covered by the community enhancement fund.

### **Investment Policy and Committee Selection**

- Sandi introduced the new investment policy, which aims to preserve funds and abide by FDIC limits. The investment policy is attached to these minutes.
- Michael Hunter explained the CDRs program, which invests funds in money markets and CDs to stay under FDIC limits.

- The goal is to have maturities of 6 months to 24 months, with shorter terms offering better interest rates.
- Eugene asks for a motion to adopt the investment policy, which is seconded and carried.

### **Committee Selection-Michael Hunter**

Michael presented the committee recommendations as suggested by management, listing current and new members, and those who have chosen not to serve.

Jaime Low proposed creating a subcommittee under the Estate Club Operations Committee to pursue gaining recognition as a blue zone. It was recommended that Jamie Low, Kathy Murphy , Carrie Hyatt be represented in that subcommittee with others to be added. This request was tabled.

It was emphasized that board members need not be the chair of committees, but the board will have final input on new members. Eugene Kaulius reminded everyone , while this is true for many of the committees, the CCR's dictate that a board member must chair both the MAC and the Nominating Committee

The board recommended that each current committee head will be asked if they are ok with managements recommendations, and to make any final recommendations is appropriate .

Once completed, Michael Hunter will send an email to the community with the final committee recommendations for 2025/2026..

### **Capital Projects/Enhancement Fee update-Michael Hunter**

#### **Capital Improvements and Security Concerns**

- o Michael presented the capital improvements wish list, including administration building improvements, estate club backyard area, and landscaping projects.

- A resident raised concerns about the security around the pool and the need for better access control. Eugene suggests requesting detailed information and costs on securing the pool area. Andy Orent suggested we explore using more contemporary technology for access control, such as phone or smart watch access.
- Michael committed to providing more information to the board on this wish list and to bring it back for approval by the next board meeting.
- It was suggested that the Presidents Council provide feedback on Capital Projects.

## **Enhancement Fee, Current Status-2025**

Michael shared a list of the current homes that either have sold since 1/1/2025 , or were currently listed , as of this date, that had not yet closed. Based upon this information, the current estimate for the Enhancement fee for 2025 will be well over \$400K for the currently listed properties.. This estimate does not include properties that are not yet listed and will be sold for the remainder of the year.

## **Estate Club Social Area; Days/hours of operations-Anne Blazek**

### **Estate Club Social Area and Activity Documentation**

- Anne Blazek presented documentation(from Club Automation) on the usage of the estate club, showing increased activity in fitness classes, pickleball, and cards.
- Anne also shared the data on residents using the card tables, showing that Sundays were low usage. She also shared data showing that the number of outside guest joining residents had increased quite a bit, and has negatively impacted residents ability to reserve card tables.

### **• Discussion on Estate Club Hours and Community Engagement**

- Beth Spiegel suggested expanding the club's hours daily. She also suggested the Estate Club be open every evening, and to have substantially more Estate Club sponsored events. She recommended increasing staffing to accommodate more users and events. She suggested a \$20 per month increase to the GRCA HOA fee to increase the budget to support more activities and enhance the Estate Club as a community hub.
- Andy Orent reminded everyone that last year (2023/2024) the Estate Club was open three nights a week, and averaged 1.5 persons a night, on evenings where

there was not an Estate Club event scheduled. Andy suggested it was difficult to continue to open the clubs for so few people. He also shared data that roughly 430 GRCA residents regularly use the Estate Club, and while some residents wouldn't mind increasing the monthly HOA fee to increase usage, a larger % of residents would not.

- o Other residents added that they were surprised at how many non residents guests used the card tables overall.
- o The clubhouse is kept open based on activity levels, with the highest usage on Mondays.

## **Adaptive Plant Health Solutions Preliminary Report**

Earlier in the year, the Board had given Jim Funk authorization to hire Adaptive Plant Solutions to study our landscaping, water usage, and soil compositions to better understand how to manage the thousands of trees, plants, bushes , etc., in the increasing heat of Arizona, particularly in the summer.

They shared how the increase in summer temperature and the 100-plus days of heat over 100 or 110, and causing extreme stress on almost all trees, plants, shrubs, grass, and flowers. This new environment requires new approaches to maintaining landscaping.

The company's principles indicated they would have a final report in roughly a month.

**Eugene Kaulius adjourned the meeting and suggested the board move into executive session.**

**Andrew Orent**

**Vice President**

GAINEY RANCH RULES

ADMINISTRATIVE

**RESERVES AND CAPITAL INVESTMENT POLICY**

The Board of Directors of the Gainey Ranch Community Association (GRCA) recognizes their fiduciary responsibility to manage reserve assets in a prudent manner. Accordingly, the Board has adopted this Reserve Investment Policy to set forth an investment strategy, security selection criteria, authorized investments and control and review procedures to pursue the stated objectives and goals.

**GOALS AND OBJECTIVES**

The GRCA's capital replacement and repair reserve assets shall be invested in an effort to achieve the following prioritized objectives:

1. Promote and ensure the preservation of the reserve fund's principal. Insured investments are to be preferred over uninsured investments, everything else being equal.
2. Structure maturities to ensure availability of assets for that time when reserve analyses anticipate needs.
3. Mitigate the effects of interest rate volatility upon reserve assets.
4. Achieve long-term investment performance that exceeds inflation on a net after-tax basis.

**INVESTMENT STRATEGY**

Select individual securities that have effective maturities of six months to 24 months. Structure these maturities so that an approximately equal proportion comes due at each maturity.

The expectation of this laddering strategy is that the reserve assets shall benefit from long-term rates, which are commonly higher than short-term rates, while maintaining availability of funds and cash flow. It is further expected that this strategy shall track the middle range of interest rate fluctuation by lessening the effect of any year's particularly high or low rates.

Exception to this strategy may be employed if reserving a portion for a specific expense. The most recent reserve funding study should be utilized to match the effective maturities to the dates of such specific expenses.

It is understood that effective maturity may be sooner than stated maturity.