

**MINUTES OF THE MEETING
OF THE GAINNEY RANCH COMMUNITY ASSOCIATION
BOARD OF DIRECTORS
September 20, 2018**

A Board of Directors meeting of the Gainney Ranch Community Association was held Thursday, September 20, 2018, at 9:00 a.m. at the Daniel C. Gainney Estate Club, Scottsdale, Arizona.

Board members present

Karen Epstein
Doug Phares
Earlene Nelson
Eugene Kaulius via conference call

Jim Funk, David Merrill and Monika Goodwin were present by invitation.

President Karen Epstein called the meeting to order at 9:00 am.

Monika Goodwin was asked for the Affidavit to verify that proper notice of the meeting had been duly given to all association members.

President Epstein asked for any changes or corrections to the minutes of the May 31, 2018, meeting. None were required and the minutes were unanimously approved as published.

David Merrill reviewed the August 31 financials with the Board. The Reserves' Accounts Payable reflect the cost of the asphalt overlay of the roads. Water and legal expenses are somewhat over budget. Funds for the planned speed tables (\$26K) are approved and part of the reserves. The reserves look good and the capital budget is very good. There are no significant aged receivables.

Merrill briefly reviewed the 2019 budget schedule with the Board. Service hours are due October 1 from the boards and he expects preliminary budgets to be going to the boards on November 1.

Jim Funk reported on the Scottsdale Road Frontage Project. Jeff Rons expects to have his portion completed by October 1. The asphalt overlay was a success. The speed tables will be installed and striping will commence as soon as the road cures – probably by mid-October. Regarding the preliminary Estate Club project study, some members were invited to provide input. Development of the site plan will continue once an architectural firm is selected. Upon motion, the Board unanimously approved Funk continuing with all necessary steps to develop the site according to plans and to report to the Board at the November meeting.

After reviewing the invitation to participate in the City of Scottsdale's planned lifestyle book "Scottsdale Experience," the Board declined to participate.

The Board and Jim next reviewed the tennis proposals. Upon motion, the Board unanimously approved Jim Funk and Anne Blazek exploring the two proposals and bringing their findings and recommendations to the Board.

The Board, upon motion, unanimously gave approval for Funk to negotiate the redesign and development, approximately \$12,000, with the team from Serendipit. The future of the *Gazette* and the advertising revenue will be researched. Serendipit would continue to design, print and deliver the *Gazette* for \$4,000 per issue.

Funk spoke about applying for recognition as a tax-exempt entity under Internal Revenue Code 501(c)(4) – meaning the GRCA of would no longer be responsible for paying Federal or State income taxes. It is a lengthy process and the Board, upon motion, directed unanimously that the application processes be started right away. The Board additionally approved the establishment of a foundation, a 501(c)(3) organization. The application service is \$14,500 and the establishment of a foundation will take approximately nine months and cost \$20,000. Butler Hansen will handle the application processes and will stop their work if circumstances lead them to believe that tax-exempt status would not be approved.

At 10:34, President Epstein called for an executive session (ARS 33-1804, paragraph 1 and 2) .

At 11:16, President Epstein closed the executive session.

The meeting was adjourned at 11:16 am.

Submitted,

Monika S. Goodwin,
Administrator