

**MINUTES OF THE MEETING
OF THE GAINNEY RANCH COMMUNITY ASSOCIATION
BOARD OF DIRECTORS
November 5, 2008**

A Board of Directors meeting of the Gainey Ranch Community Association was held Wednesday, November 5, 2008, at 9:00 a.m. at the Gainey Ranch Community Association Administration Building, Scottsdale, Arizona.

Members Present

Preston Miller via telephone
Fran Goldberg
Eugene Kaulius
Shannon Vaughan
Patrick Collins

Fred Thielen, Jim Funk, Donna Corcoran and Monika Goodwin were present by invitation.

Chairwoman Fran Goldberg called the meeting to order at 9:00 a.m.

Monika Goodwin was asked for the Affidavit to verify that proper notice of the meeting had been duly given to all association members. Goldberg directed that it be attached to and made part of the minutes.

Thielen spoke about the need to review the Architectural Committee Rules; specifically the Design Guidelines and Standards. The remainder of the Architectural Rules were last reviewed and updated in 2006. Thielen suggested hiring an architect to review the Design Guidelines and Standards. He also suggested the architect review the colors of the GRCA perimeter walls, gates and buildings along with the signage and light fixtures. Qualifications and a process for engaging an architect should also be considered. After some discussion, the Board decided to give the project to the Architectural Committee to review and return to the Board with recommendations.

Donna Corcoran reviewed the September 30 financials with the Board and answered questions. Revenues are down primarily due to low interest rates and housing slump resulting in fewer Community Enhancement Fees and resale disclosure fees. Kaulius suggested communicating the extra security expenses incurred by the GRCA in the Day matter to the Courts residents. A discussion followed and the Board decided to present the information to the Council of Presidents and possibly in the newsletter. Gas and electricity expenses increased dramatically at the Estate Club and the Board directed Funk to investigate. Corcoran reported that, although \$10K in bad debt (unpaid assessments) was written off, it was offset by other unrelated reduced expenses. Of the \$83K Net Operating Loss at September 30, 2008, 17K was related directly to the real estate market slump, \$10K was the bad debt, \$10K was expenses related to the Day matter and the balance was comprised mostly of one-time expenses.

Thielen, Corcoran and the Board reviewed the 2008 Reserve Account Status (attached) as well as the 2009 Reserve Study Summary (attached). There was a discussion about leasing versus owning trucks and Thielen stated leasing was not a good option at this time. Kaulius suggested

not planning or minimizing any Excellence Program reserve additions if possible. The aim is to keep any increase to assessments to an absolute minimum in 2009. The Capital Expenditure Reports, both the 2008 Status (attached) and the 2009 projected expenses (attached) were reviewed and discussed. The Board deferred its approval of the 2009 Reserve Study and Capital Expenditures reports until the remaining 2009 budget components are reviewed at the December 4 meeting.

The Board next discussed the memo from Scott Williams that outlined increasing the April through September pruning intervals, outsourcing turf renovation and plant replacements during that time, adding a landscape maintenance supervisor and adding two trucks as stipulated in the justification report. In conjunction with the above maintenance reorganization, the Board asked Funk to investigate the structure of the landscape maintenance department and report back with any recommendations. The aim is to see how more direct supervision, on a consistent basis, could be provided by one supervisor being responsible for a limited number of satellites. The Board approved funding in the budget for these additions with the understanding that after further review the dollars may be organized differently.

The Board next unanimously appointed Vonna Sinsheimer, current alternate member, as a full time member of the Architectural Committee, replacing John Goesling who will be moving from Gainey Ranch. The Architectural Committee will need a new alternate member for 2009 and the Architectural Committee was asked to propose a new alternate member for Board consideration.

The meeting was adjourned at 11:00 am and the Board proceeded to go into executive session.

Respectfully submitted,

Monika S. Goodwin
Administrator