



DC Ranch Association – Board of Directors Meeting Minutes

Date/Time: Monday, August 13, 2018 at 6 p.m.
Location: Homestead Community Center
Purpose: Regularly scheduled meeting

Chaired By: Susan Grace
Minutes Rec: Ashley Dernovsek
Status: Approved Minutes
Attendance

Present: Susan Grace, Fred Green, Elizabeth Kepuraitis, Philip Geiger, Mike Esparza, Stephen Koven, Vince Durocher

Invited Guests: Executive Director Darren Shaw, Executive Assistant Ashley Dernovsek, Communications Manager Terri Raimondi, Neighborhood Voting Member Tod Singer and Ron Jones, Maintenance Manager Jose Barcenas and Director of Finance Sylvia Miles

1. Call to Order/Establish Quorum

1.1 Roll Call/Establish Quorum

Mr. Shaw conducted roll call. Six directors were present, which satisfied the quorum requirement. Ms. Kepuraitis, Mr. Esparza, and Mr. Koven, who were not at the meeting location, attended by telephone. The meeting was called to order at 6 p.m. by President Susan Grace. Mr. Green joined the meeting by telephone at 6:10 p.m.

1.2 Member Comment Period/Open Forum

None.

1.3 Approval of June 4, 2018 Regular Meeting Minutes, June 27, 2018 Board Planning Session Minutes (open session and executive session)

Mr. Durocher motioned to approve the June 4 regularly scheduled board meeting minutes. The motion was seconded by Mr. Geiger; the motion carried unanimously.

Mr. Geiger motioned to approve the June 27 board open session planning meeting minutes. The motion was seconded by Mr. Durocher; the motion carried unanimously.

Mr. Geiger suggested that the minutes from the executive session portion of the June 27 board planning meeting should be posted and made available to all members. Discussion ensued, Ms. Grace committed to reviewing the minutes and stated she would provide the board members with her perspective prior to the September 4, 2018 board meeting. The minutes were not approved.



2. Reports

2.1 President's Report

Ms. Grace shared highlights from the June 27 board planning session (open):

- Presentation from auditor confirmed that no material concerns were noted, and controls are strong. Two items identified in the "management letter" were: a negative operating budget deficit in two neighborhoods which has been corrected, and the reporting of reserve expenses. The audit was accepted by the Board.
- The timing and location of board meetings were discussed. Some directors and other residents suggested that Desert Camp Community Center was more appropriate for the meetings versus The Homestead Community Center. An earlier start time was also considered so that members could attend the meeting during daylight hours. After considering the factors involved including space and directors who work full-time, it was decided to maintain the current schedule and location.
- To accommodate members who cannot stay for the entire meeting, "hot topics" will be discussed at the beginning of the meeting. Further, she stated that the idea of video recording board meetings will be explored. The video recordings could be posted to the DC Ranch website allowing residents who were unable to attend, the opportunity to view the meeting. The Board would like there to be more interest from members regarding the meetings, as well as potentially running for the Board at the time of election.
- The Board reviewed the Executive Director's goals and objectives.
- Standards enforcement was discussed, and it was reported that staff is working on high priority violations. One performance measurement is to review every front yard area at least once annually.
- A new emergency notification system was created by IT Administrator Bryant Blough at no cost to the Association. The system was implemented in August 2018.
- Copper Ridge School, via the Scottsdale Unified School District, agreed to consider partnering with DC Ranch Community Council and the Association to develop an amenity that would benefit the community.
- The June 27 executive session was reviewed. The following items were discussed: board member ethics, working capital contributions, neighborhood issues, discretion in developing the neighborhood voting member program, legal concerns regarding the Association providing management services to sub-associations and short-term rentals. A letter signed by the Association's legal counsel was recently distributed to every DC Ranch owner informing them of the DC Ranch standard (DCR18) Rental of Property.
- Prior to the August 13 regularly scheduled board meeting, an executive session was held. Ms. Grace shared the following summary: a member appealed a fine levied by the Association for violating the Association's short-term rental restrictions. The board has 10 business days in which to respond to the member.
- Ms. Grace provided highlights of the June and July Governance Committee meetings: attention to short term rentals, Scottsdale Unified School District meeting and the Kitchell Yard, finalization of Fairfield hotel plans that include underground and aboveground parking, as well as designated dog relief area. The DC Ranch website has current information regarding the



projects in development. She also reported that most custom lots in DC Ranch are built out; 21 percent of all custom lots remain vacant land.

- Community standards for the apartments are being developed. A meeting is scheduled at the end of August with representatives from Planning Unit One to discuss the standards as well as the use of neighborhood parks. Mr. Shaw and Ms. Jenna Kohl, Community Council Executive Director will lead the meeting.
- The development of the DCR2020 principle “effective governance” is nearly complete with the strategies and tactics. There will be an open joint board meeting on October 29, 2018 at The Homestead Community Center to review the total plan.
- Ms. Grace informed everyone that Director of Financial Operations, Sylvia Miles intends to resign from her position effective Aug. 17, 2018.

2.2 Executive Director’s Report

Mr. Shaw provided updates on the following matters:

- 2019 budget development process, which is underway.
- The 25-year road reserved plan was recently completed by PMIS at a cost of \$12,000.
- The West Gate Command Center is nearly complete. There are approximately 100 video feeds throughout the neighborhood. The central dispatch element of the project is not yet complete. When it is complete, all security calls will be routed to the Command Center and dispatched accordingly. The project should be finished by the end of August.
- Working with consultant Gary Porter from California, the 501(c)4 application has been filed. We should hear back in approximately four to five months. If approved, the Association will save approximately \$30,000 - \$35,000 annually in interest related income taxes.
- Director of Financial Operations résumés are being considered. Interviews will start by the end of August.
- An employee survey was completed. The results show the employees are generally happy to work for DC Ranch Association.
- On August 3, an All-Ranch team meeting was held at The Homestead Community Center. The focus of which was to review best practices and develop new team values. A special committee has been developed to continue working on the new team values, which are scheduled to be formally introduced by the end of the year.
- A new 401(k) plan advisor was brought onto the team, due to performance and expense concerns regarding the prior advisor.
- At Market Street Villas, a construction defect inspection was completed approximately 60 days ago for the 15 newer units. We are in the process of getting a written report from the inspectors. There has been indication there may be some construction-oriented defects. Mr. Shaw also commented that he met with representatives from Ky-Ko roofing to discuss conducting a thorough inspection of the roofs at the 15 units.
- At Market Street Villas, the exterior painting project (wood and metal) is about 40 percent complete. The painting of boundary walls at Montelana 2.10 and Camelot 2.13/2.14 is being priced now and is part of the 2018 reserve plan.



2.3 Special Presentation: Maintenance Manager, Jose Barcenas

Mr. Barcenas shared with the Board and guests an overview of maintenance department's services and responsibilities.

The maintenance team is responsible for common area maintenance, parks, pest control, water features, gatehouses, maintenance inspections, holiday decorations and maintenance vehicles. They also complete many special projects.

2.4 Neighborhood Voting Member Updates

Resident Neighborhood Voting Member Ron Jones from the Upper Canyon (Windgate) congratulated the new directors and expressed his appreciation for their contributions. He stated concerns regarding speeding on Windgate Pass, Security and Safety and the heightened concern and the visual appearance of retaining walls at some homes in the Upper Canyon. Mr. Jones also encouraged the Board to publicize the candidates for the next security contract.

2.5 Security Survey Results

Ms. Raimondi shared the June 2018 security survey results. The security survey is conducted every two years. There were 602 responses this year. The results indicate that residents are generally satisfied with the security related services they receive.

On a scale of one to five, the aggregate results on the following performance rated elements were as follows: Professionalism 4.12; Customer Service 4.08; Response Time 3.93; Overall Appearance 4.37. In addition to the numerical scores, many comments were offered. Ms. Graced asked staff to review the comments and recommend changes as appropriate.

2.6 Quarterly Financial Report

Ms. Miles shared with the Board and residents her joy and appreciation about working at DC Ranch. She discussed the quarterly financial report stating at six months, all is looking very positive. The revenue performance is driven by disclosure fees and violation fees.

Ms. Grace inquired about the Association's water expense status. Ms. Miles stated the second quarter related expense was on budget, but year-to-date, the budget remains overrun.

3. Unfinished Business

3.1 Proposed Policy 101 – Policy Committee Charter (Formal Consideration)

The proposed policy was posted on the DC Ranch website for the required 30-day member comment period. No member comments were received.

Mr. Geiger made a motion to formally approve Policy 101 as proposed. Mr. Durocher seconded the motion; the motion carried unanimously.



3.2 Proposed Policy 203 – Audits (Formal Consideration)

The proposed policy was posted on the DC Ranch website for the required 30-day member comment period. No member comments were received.

Mr. Esparza made a motion to formally approve Policy 203 as proposed. Ms. Kepuraitis seconded the motion; the motion carried unanimously.

4. New Business

4.1 Electronic Speed Camera

In May of 2018, a speed camera was purchased. Drivers captured by the camera traveling 21 plus miles per hour over the posted speed limit are fined \$300. Mr. Shaw shared that since May 2018, 25 fines were issued and collected: 52 percent residents, 20 percent guests and 28 percent vendors. Speeding has significantly declined since the implementation of the speed camera program. Residents have shared their concerns regarding driver speeds in proximity to parks and greenbelt areas.

Discussion revolved around implementing a 60-day speed enforcement pilot program that includes Ethel’s Garden and one of the parks in Arcadia. The speed camera will be placed in Ethel’s Garden for 30 days and in one of the Arcadia parks for 30 days. The speed camera will record drivers traveling 11 plus miles per hour over the posted speed limit. During the duration of the 30-day pilot periods at each park, violators will receive a written warning. Plan to implement the pilot program on September 15, communication will be released by the Association updating the residents on the program.

Mr. Durocher motioned to implement the 60-day pilot program. The motion was seconded by Mr. Green; the motion carried unanimously.

4.2 Proposed Policy 204 – Capitalization of Assets, Capital Reservations and Repair Reserves

Mr. Esparza made a motion to conditionally approve Policy 204 as proposed, and to post the proposed policy for the required 30-day member comment period. Mr. Geiger seconded the motion; the motion carried unanimously.

4.3 Proposed Policy 301 – Security Services

Ms. Grace stated she would like the policy to read that every street in the community be toured at least once each eight-hour shift.

Mr. Geiger made a motion to conditionally approve Policy 301 with the noted change and to post the proposed policy for the required 30-day member comment period. Mr. Durocher seconded the motion; the motion carried unanimously.

4.4 Old Policy Deletions (Formal Consideration)

Mr. Geiger made a motion to formally approve Old Policy Deletions as proposed by the Policy Committee. Mr. Durocher seconded the motion; the motion carried unanimously.



4.5 Appointment of Additional Policy Committee Members (Formal Consideration)

Mr. Green made a motion to formally appoint Vince Durocher and Tom Headley to the Policy Committee. Mr. Koven seconded the motion; the motion carried unanimously.

4.6 Modifications Committee Charter Revisions and Chairperson Appointment (Formal Consideration)

Mr. Green made a motion to formally approve Modifications Committee Charter Revisions as proposed and to appoint Don Matheson and Elizabeth Kepuraitis as committee co-chairs. Mr. Esparza seconded the motion; the motion carried unanimously.

4.7 2018 Road Sealing and Repair Project (Formal Consideration)

Mr. Durocher made a motion to formally approve a reserve budget of \$283,000 for 2018 road repair and sealing as recommended by consultants PMIS. Mr. Geiger seconded the motion; the motion carried unanimously.

4.8 Mandatory Working Capital Contribution – Increasing Fee to First Buyer (Formal Consideration)

Mr. Geiger made a motion to formally approve increasing the Mandatory Working Capital Contribution fee from \$300 to \$866.40 as permitted by the Association’s CC&Rs. Further, the fee will be reviewed annually during the budget development process. Mr. Durocher seconded the motion. After hearing comments from two members in the audience, the motion carried unanimously.

5. Committee Reports: There were no committee reports.

5.1 Adjournment:

Ms. Grace adjourned the meeting at 8:24 p.m. The next board meeting is scheduled September 4, 2018 at 6 p.m. at The Homestead Community Center.

These minutes are attested by:

Philip Geiger, Association Board Secretary

9/17/18

Date