

**SCOTTSDALE RANCH COMMUNITY ASSOCIATION
BOARD OF DIRECTORS' MEETING**

June 28, 2016

Held at the Scottsdale Ranch Community Association Conference Room
10585 N. 100th Street, Scottsdale, AZ 85258

Members

Present:	Matt Metz	President
	Michael Breslin	Vice President
	Barbara Sarwar	Secretary
	Ray Texeira	Director
	Aarash Daroodi	Director

Members

Absent:	Mike Nelson	Treasurer
	Brian Munson	Director

Staff Present:

Kathe Barnes	Executive Director
Sonja Perez	Homeowner Liaison
Gabby Weiss	Architectural Liaison

Others

Present:	Harold & Linda Weiss	9886 E Cinnabar Ave
	Laura Fettig	9848 E Cinnabar Ave
	Jim Caciola	Verizon Representative
	Joe Dawson	10080 E Mtnview Lake Dr #204

Call to Order:

Matt Metz called the regular meeting to order at 4:30 p.m. and called the roll of the Directors. A quorum of Directors was present.

Homeowner's

Forum: No Comments

Approval of

Minutes: **MOTION:** It was moved and seconded to approve the open session minutes from the May 24, 2016 board meeting as presented and the executive session minutes from the June 23, 2016 executive board meeting. Motion passed.

Architectural:

Weiss Appeal – 121-0091
Harold Weiss discussed the impact he felt the approved addition to 121-0091 would have to his property.

MOTION: After review and discussion, it was moved and seconded to uphold the Architectural Committee's approval of the addition. Motion passed.

(Harold Weiss, Linda Weiss, Laura Fettig and Gabby Weiss left the meeting.)

Appr'd *Barbara Sarwar* Date 8/28/16

Verizon Cell Site: Verizon Representative, Jim Caciola, discussed current and previous options for the installation of the cell tower that included the use of SRCA yard space. The board concurred a tower is necessary and stated it is up to Verizon to work with the surrounding neighbors on an acceptable plan.

MOTION: After review and discussion, it was moved and seconded that SRCA would lease the maintenance yard space for their cell site equipment with a stipulation on the Executive Director would negotiate the lease rate. Motion passed.

(Jim Caciola and Joe Dawson left the meeting)

Finance:

May 2016 Financials

MOTION: After review and discussion, it was moved and seconded to accept the May 2016 financial reports for file and audit. Motion passed.

Property & Liability Insurance Renewal

MOTION: After review and discussion, it was moved and seconded to approve the insurance renewal as presented. (Exhibit "A") Motion passed.

President's Report:

Ratification of the Code of Conduct Modifications

MOTION: After review and discussion, it was moved and seconded to approve the Code of Conduct as presented with the inclusion of SRCA employees based on review and consent of the Association's HR attorney. (Exhibit "B") Motion passed.

Adoption of Complaint Management Procedure

MOTION: After review and discussion, it was moved and seconded to adopt the Policy for Handling Complaints against Board Members, Committee Members, the Executive Director, and Other Association Employees. (Exhibit "C") Motion passed.

Establishing Two Criteria for Board Candidates and Committee Members


MOTION: After review and discussion, it was moved and seconded to adopt a policy requiring for all committee members to sign the newly adopted Code of Conduct and for potential Board candidates to submit to a felony background check at Association cost. Motion passed.

**Management
Operations:**

ElectraCraft Boat Purchase

Kathe Barnes presented information and cost from ElectraCraft for an electric powered boat. The purchase price for the boat was quoted at \$40K and is allocated in the Reserve budget.

MOTION: After review and discussion, it was moved and seconded to

Appr'd  Date 8/23/14

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approve the purchase of the ElectraCraft 180cs 2016 model not to exceed \$40,000.00. Motion passed. Ray Texeira opposed.

Potential Fines

The Board reviewed two owner compliance issues.

• **121-0048**

MOTION: It was moved and seconded to fine the owner \$100.00 for the trash cans and \$100.00 for the cable wires. Motion passed.

• **131-0044**

MOTION: It was moved and seconded to provide the owner 30 days to make repairs to the wall and fascia and to either sod or xeriscape the grass area. If repairs are not complete within the 30 days, a fine of \$100.00 will be retroactively assessed to the account. Motion passed.

**Committee
Reports:**

Upcoming meeting and event schedules were discussed for the various committees.

New Business:

No new business

Adjournment:

MOTION: It was moved and seconded to adjourn the regular meeting at 6:06 p.m. Motion passed.

Appr'd



Date 8/23/16

EXHIBIT A

Scottsdale Ranch Renewal Insurance Comparison			
Property Coverage	2015 - 2016 Current Coverage	2016 - 2017 Option 1	
Insurance Carrier	Philadelphia	Philadelphia	
Property Limit	\$1,450,000	\$1,450,000	
Common Areas Covered	Yes	Yes	
Deductible	\$10,000	\$10,000	
Flood Endorsement	\$30,000	\$30,000	
Wind/Tree Endorsement	\$50,000	\$50,000	
Liability Coverage	2015 - 2016	2016 - 2017	
Insurance Carrier	Philadelphia	Philadelphia	
Each Occurrence	\$1,000,000	\$1,000,000	
General Aggregate	\$2,000,000	\$2,000,000	
Personal & Advertising Injury	\$1,000,000	\$1,000,000	
Medical Expense	\$5,000	\$5,000	
Hired & Non-Owned Auto	\$1,000,000	\$1,000,000	
Property & Liability Premium	\$18,268	\$18,411	-\$143
Crime / Fidelity Bond	2015 - 2016	2016 - 2017	
Insurance Carrier	Philadelphia	Philadelphia	
Employee Dishonesty	\$800,000	\$800,000	
Crime / Fidelity Bond Premium	\$365	\$365	\$0
Directors/Officers	2015 - 2016	2016 - 2017	
Insurance Carrier	C.N.A	C.N.A	
Policy Limit	\$5,000,000	\$5,000,000	
D&O Deductible	\$1,000	\$1,000	
Policy Provides for Actual Defense of Claims (not just reimbursement for expenses)	Yes	Yes	
Defense Cost Outside Policy Limits	Yes	Yes	
Allegations of Sexual Harassment	Yes	Yes	
Allegations of Discrimination	Yes	Yes	
Board Member vs. Board Member	Yes	Yes	
Duty to Defend Contracts	Yes	Yes	
Failure of the Board to Maintain Reserves	Yes	Yes	
Libel & Slander	Yes	Yes	
Directors/Officers Premium	\$2,900.00	\$2,999.00	-\$99

EXHIBIT A

Umbrella	2015 - 2016	2016 - 2017	
Insurance Carrier	Philadelphia	Philadelphia	
Limit	\$15,000,000	\$15,000,000	
Umbrella Premium	\$9,782	\$9,478	\$304
Auto Coverage	2015 - 2016	2016 - 2017	
Insurance Carrier	Philadelphia	Philadelphia	
Limit	\$1,000,000	\$1,000,000	
Auto Premium	\$4,286	\$2,666	\$1,620
Workers Comp	2015 - 2016	2016 - 2017	
Insurance Carrier	Hanover	PMA	
Limit	\$1,000,000	\$1,000,000	
Workers Comp Premium	\$709	\$732	-\$23
Flood Coverage	Current Policy	Option #1	
	2015 - 2016	2016 - 2017	
Insurance Carrier	Hartford	Hartford	
Limit	\$500,000 / \$222,800	\$500,000 / \$233,900	
Flood Premium	\$4,004	\$5,008	-\$1,004
Event Rider	2015 - 2016	2016 - 2017	
Insurance Carrier	Philadelphia	Philadelphia	
Event Rider Premium	\$1,500	\$1,500	\$0
Inland Marine	2015 - 2016	2016 - 2017	
Insurance Carrier	Philadelphia	Philadelphia	
Inland Marine Premium	\$360	\$488	-\$128
Total Annual Premium	\$42,174	\$41,647	<u>Net Difference</u> \$527

EXHIBIT B

CODE OF CONDUCT FOR BOARD MEMBERS AND COMMITTEE MEMBERS

WHEREAS, the Board of Directors (“Board”) of Scottsdale Ranch Community Association (“Association”) has the authority and responsibility to make decisions for the benefit of the entire community, and

WHEREAS, the Board wishes to ensure that it and its individual Board members and Committee members (hereinafter collectively referred to as “HOA Reps”) maintain a high standard of ethical conduct in the performance of the Association’s business, and to ensure that the Association’s members maintain confidence in and respect for the entire Board and its Committees,

NOW, THEREFORE, BE IT RESOLVED THAT the Board of the Association hereby adopts the following rules of conduct, standards and behavior, ethical rules, and enforcement procedures that are applicable to all HOA Reps, and to be signed by all HOA Reps, acknowledging its application:

1. **HOA Reps shall act in the best interests of the Association as a whole.** HOA Reps serve for the benefit of the entire community, and shall, at all times, strive to do what is best for the Association as a whole. HOA Reps shall not use their positions as such for private gain, for example:
 - No HOA Rep shall solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value from a person who is seeking a contractual or other business or financial relationship with the Association.
 - No HOA Rep shall seek preferential treatment by the Board, any of its committees, or any contractors or suppliers.
 - No HOA Rep shall accept a gift or favor greater than \$50.00 made with the intent of influencing a decision or action on any official matter.
 - No HOA Rep shall receive any compensation from the Association for serving on the Board.
 - No HOA Rep shall willingly misrepresent facts to advance a personal cause or influence the community to advance a personal cause.
 - No HOA Rep shall use his/her position to enhance his/her financial status through the use of certain contractors or suppliers.
2. **HOA Reps shall comply with governing documents and relevant law.** HOA Reps shall use their best efforts at all times to make reasonable decisions that are consistent with the Declaration, Bylaws, and other governing documents of the Association, and to be familiar with all such documents. HOA Reps shall likewise comply with, and make decisions that are consistent with, all applicable laws, including, but not limited to, refraining from discriminating against any person in violation of federal or state fair housing laws.
3. **HOA Reps shall set high standards for themselves as Association members.** HOA Reps shall hold themselves to the highest standards as members of the Association, and shall in all ways comply with the provisions of the Association’s governing documents.
4. **HOA Reps shall work within the Association’s framework and refrain from unilateral action.** HOA Reps shall at all times work within the Association’s framework and abide by the system of management established by the Association’s governing documents and the Board. HOA Reps shall conduct business in accordance with state law and the Association’s governing documents, and shall act upon decisions duly made, and no HOA Rep shall act unilaterally or contrary to such decision. Toward that end, no HOA Rep shall seek to have a contract implemented that has not been duly approved by the Board, nor promise anything not approved by the Board to a contractor, supplier or to any other entity, nor interfere with a contract duly implemented by the Board.
5. **HOA Reps shall behave professionally when dealing with any Association matters.** HOA Reps shall conduct themselves at all meetings, including Board meetings, annual meetings of the members, and committee meetings, and in all correspondence, and in any other Association

matters in a professional and businesslike manner. Personal attacks against other HOA Reps, Association members, residents, officers, management, or guests are not consistent with the best interests of the community and will not be tolerated. Language shall be kept professional. Though differences of opinion are inevitable, they must be expressed in a professional and businesslike manner.

6. **HOA Reps shall maintain confidentiality when appropriate.** HOA Reps shall, at all times, maintain the confidentiality of all legal, contractual, personnel, and management matters involving the Association. HOA Reps shall also maintain the confidentiality of the personal lives of other HOA Reps, Association members, residents, and management staff.
7. **HOA Reps shall disclose conflicts of interests.** HOA Reps shall immediately disclose to the Board, or the Committee on which they serve, any perceived or potential conflict of interest, as defined by A.R.S. §10-3860 or §33-1811, regarding any aspect of the business operations of the Association.
8. **HOA Reps shall refrain from defaming anyone in the community.** HOA Reps shall not engage in defamation, by any means, of any other HOA Rep, Association member, resident, management staff member, vendor, or anyone else acting on behalf of the Association. The Association shall deem any HOA Rep who engages in defamation to be acting outside the scope of his authority as an HOA Rep.
9. **HOA Reps shall refrain from harassing Association members or residents.** HOA Reps shall not in any way harass, threaten, or otherwise attempt to intimidate any other HOA Rep, Association member, resident, management staff member, vendor, or anyone else acting on behalf of the Association. The Association shall deem any HOA Rep who violates this clause to be acting outside the scope of his authority as an HOA Rep.
10. **HOA Reps shall refrain from interfering with Management staff and contractors.** No HOA Rep shall interfere with the duties of management staff or any contractor performing a contract duly adopted by the Board. All communications with contractors must go through the President of the Board or management, or must otherwise be in accordance with Board policy.

ADOPTED BY BOARD RESOLUTION AS PART OF THE BOARD MEETING ON
JUNE 28, 2016.

Scottsdale Ranch Community Association

By:  _____

Its: President _____

EXHIBIT C

Scottsdale Ranch Community Association

Policy for Handling Complaints against Board Members, Committee Members, the Executive Director, and Other Association Employees

The Scottsdale Ranch Community Association (the “Association”) wishes to ensure that any complaints or accusations made against Board members, Committee members, the Association’s executive director (“Executive Director”), or other Association employees are handled in a professional manner and in the best interest of the Association. Therefore, the Association, by and through its Board members, hereby adopts the following policy to be followed by all Board members and Committee members (collectively referred to hereinafter as “HOA Reps”):

A. Complaints Against HOA Reps

1. All investigations of complaints or accusations against HOA Reps should be reviewed in the same manner, through the Executive Director. Therefore, if an Association Member (hereinafter “Member”) raises a concern to an HOA Rep (the “Informed HOA Rep”) about the acts of another HOA Rep (the “Affected HOA Rep”), the Informed HOA Rep shall advise the Member to submit their complaint in writing to the Executive Director. If the Member does not want to submit their complaint in writing to the Executive Director, the Informed HOA Rep shall advise the Member that the Association is not obligated to investigate anonymous complaints.

2. Once a complaint is received in writing by the Executive Director, the Executive Director shall perform any investigation the Executive Director deems necessary to determine if there is sufficient evidence to warrant further action. If there are no specific facts raised but merely rumors, the Association has no obligation to investigate further. Furthermore, the Association is not obligated to investigate anonymous complaints. The Executive Director must be able to talk directly to the individuals who were first-hand witnesses to whatever facts and complaints are being made. The Executive Director is generally gathering information pertaining to potential violations of the Association’s governing documents and the Code of Conduct for Board Members and Committee Members (“Code of Conduct”).

3. If sufficient facts are gathered by the Executive Director to believe that a violation of the Association’s governing documents or the Code of Conduct may have occurred, the Executive Director will bring the matter to the attention of the Association President, unless the complaint is against the Association President, in which case the Executive Director will bring the matter to the attention of the Association Vice President. If the accusation involves both the Association President and Vice President, the Executive Director will bring the matter to the attention of another officer of the Association. Hereinafter, the officer to whom the Executive Director provides the information shall be referred to as the Association Officer.

4. The Executive Director and Association Officer will contact the Association’s legal counsel to determine appropriate next steps. The following are possible next steps:

- a. No action, if not believe warranted.
- b. Turn the matter over to the appropriate governmental authorities, if the action is of a criminal nature.
- c. Meeting with Executive Director, Association Officer and Affected HOA Rep (with or without Association legal counsel) to go over the information gathered and provide the Affected HOA Rep with an opportunity to present any information that they believe relevant on the issue.

d. If, after a meeting with the Affected HOA Rep, further action is deemed warranted by the Executive Director, Association Officer, and legal counsel, an executive board meeting may be held with Association legal counsel to discuss the issue and determine appropriate action. Possible actions include, but are not limited to:

- (1) Making a finding that the HOA Rep violated the Association's governing documents or Code of Conduct, identifying the reason for that finding, and documenting the matter in the executive board meeting minutes;
- (2) Voting to remove the HOA Rep from any officer position they may hold, or from any committees on which they serve;
- (3) Authorizing a letter to be sent from the Association attorney that the acts of the HOA Rep were outside their scope as an HOA Rep, and to cease and desist such actions;
- (4) Requesting that a Board member resign from the Board; or
- (5) Seeking removal of the Board member through the statutory removal process.

5. If the information was originally heard by an Informed HOA Rep, the Executive Director or Association Officer will advise the Informed HOA Rep of the results of the investigation and the decision made. The Executive Director shall advise the Member who made the original complaint that the Association has reviewed the matter and taken appropriate action.

6. Because this process involves personal information about an individual member of the Association and/or discussion of a member's appeal of any violation cited, all Board discussions on this matter shall be held in executive session unless the Affected HOA Rep requests that the meeting be held in open session.

7. It is not appropriate for HOA Reps to raise complaints or accusations about HOA Reps during executive board meetings, open board meetings, or committee meetings. Rather, the above process must be followed. Furthermore, if an HOA Rep has personally witnessed what the HOA Rep believes to be a violation of the Code of Conduct or the Association's governing documents by another HOA Rep, that HOA Rep can either address the other HOA Rep directly (outside of a Board meeting or Committee meeting), or that HOA Rep needs to follow the process set forth above.

B. Complaints Against the Executive Director

1. If a Member raises a concern about the Executive Director to an HOA Rep (the “Informed HOA Rep”), the Informed HOA Rep shall advise the Member to submit their complaint in writing to the Association President. If the Member does not want to submit their complaint in writing to the Association President, the Informed HOA Rep shall advise the Member that the Association is not able to investigate anonymous complaints.

2. If any HOA Rep has a complaint against the Executive Director, the HOA Rep shall inform the Association President of their complaint in writing and provide information to the Association President as to the nature of their complaint and the facts to support their complaint.

3. The Association generally intends to investigate potential violations of the Association’s Employee Handbook (“Employee Handbook”). Upon receipt of information based on either #1 or #2 of this section, if the Association President believes that the complaint or accusation may involve a violation of the Employee Handbook, the Association President shall investigate the complaint or accusation by following the provisions of the Employee Handbook. Any further action on the accusation or complaint shall be in accordance with the provisions of the Employee Handbook.

4. It is not appropriate for HOA Reps to raise complaints or accusations about the Executive Director during executive board meetings, open board meetings, or committee meetings. Rather, the above process must be followed.

C. Complaints Against Other Association Employees

1. If a Member raises a concern about employees other than the Executive Director (“Other Employees”) to an HOA Rep (the “Informed HOA Rep”), the Informed HOA Rep shall advise the Member to submit their complaint in writing to the Executive Director. If the Member does not want to submit their complaint in writing to the Executive Director, the Informed HOA Rep shall advise the Member that the Association is not able to investigate anonymous complaints.

2. If any HOA Rep has a complaint against Other Employees, the HOA Rep shall inform the Executive Director of their complaint in writing and provide information to the Executive Director as to the nature of their complaint and the facts to support their complaint.

3. The Association generally intends to investigate potential violations of the Employee Handbook. Upon receipt of information based on either #1 or #2 of this section, if the Executive Director believes that the complaint or accusation may involve a violation of the Employee Handbook, the Executive Director shall investigate the complaint or accusation by following the provisions of the Employee Handbook. Any further action on the accusation or complaint shall be in accordance with the provisions of the Employee Handbook.

4. It is not appropriate for HOA Reps to raise complaints or accusations about Other Employees during executive board meetings, open board meetings, or committee meetings. Rather, the above process must be followed.

The President of the Association hereby certifies that the Policy on Handling Complaints against Board Members, Committee Members, the Executive Director, and Other Association Employees was adopted at the Board meeting held on JUNE 28, 2016.

Scottsdale Ranch Community Association

By: 

Its: President