

anthem community council

Meeting of the Board of Directors
June 22, 2016
OPEN SESSION at 6:30 p.m.
Anthem Civic Building
3701 W. Anthem Way

MEETING MINUTES

Members Present:

Ryan Halleran – President
Roger Willis – Vice President
John Balzer – Secretary
Bob McKenzie – Treasurer
Tim Fyke – Director
Rick Kesselman - Director
Terry Mullarkey – Director

Members Absent:

None

Others Present:

Jenna Kohl, Community Executive Officer
Neal Shearer, Community Operations Officer
Doug Greenstein, Community Finance Officer
Michele DeMichele, Special Events & ACB Operations Director
Kristi Northcutt, Communications Director
Jim Metcalf, Parks and Facilities Director
Meghann Hill, Management Analyst
Mark Sahl, Legal Counsel
Johnathan Ebertshauser, Legal Counsel
Tammy Tollefson, Recording Secretary

CALL TO ORDER

The Open Session of the Anthem Community Council (ACC) was called to order at 6:33 pm.

ESTABLISH QUORUM

President Halleran established a Quorum with seven Board members present.

ADOPT AGENDA

Treasurer McKenzie made a motion to adopt the agenda with revisions and requested item 4A 2015 Audit Presentation and item 13A Request to Construct Storage Facility be removed. Director Fyke seconded. Voting took place; the motion passed unanimously.

STAFF COMMUNICATIONS/REPORTS

Ms. Kohl summarized the staff report and shared the following:

- July 27: ACC Board of Directors meeting, 6:30 p.m., Civic Building
- Candidate Forum: The ACC is partnering with the New River/Desert Hills Community Association to jointly host a Candidates Forum on Sept. 14 at the Anthem Civic Building. Candidates who have filed to run for county, state and federal seats representing our districts will be invited to attend.
- Park and Rec Month: July is National Park and Rec Month (National Recreation and Parks Association). Staff will be featuring several facets of Anthem's parks and recreational amenities, as well as staff who care for them, throughout the month – starting with the Resource Guide.
- Business Roundtable: The Economic Development Committee (EDC) has set a date of Sept. 21 for the next Business Roundtable. More details will be sent to Anthem businesses as the date approaches. The response to the first two roundtables was outstanding, and another great turnout is expected.
- Commercial Property Database: Staff and the committee are taking initial steps to embed the commercial property database on the website. This new tool will be demonstrated at the Roundtable in September.
- Grand Openings: Staff and committee members attended openings for new/relocated businesses, including Desert Lotus Boutique and Prickett Realty.
- Merrill Gardens: CEO and EDC Committee Liaison Kristi Northcutt attended a site tour at Merrill Gardens. Work is on track for a fall opening; over one third of the apartments are leased.

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- Visitor/Guest Policy: The Aquatics Park saw its busiest opening weekend in history over Memorial Day. Residents are reminded that visitors and guests MUST be with a resident, and must pay a daily guest fee.
- Teen Summer Sampler: 33 teens are currently registered. Registrations are being accepted throughout the entire summer.
- Anthem Mind Quest Informational Recruitment Meeting: July 7, 6:30 p.m. Think Ted Talks, Anthem-style. This monthly fall program will feature high-caliber, university-style speakers on diverse topics including cybercrime, international relations, genetics, virtual reality, artificial intelligence, etc. Any topic someone is an “expert” in will be considered for the series. This recruitment meeting is intended to gather interested/potential speakers, share topics and ideas, and learn more about the speaker application process for the program. Digital Photography: July 9, 16 and 23, 10-11:30 a.m. Alzheimer’s Awareness Series: Coming Soon!
- Civic Building Roof Project: Safety and coordination meetings have been held with Lyons Roofing in advance of the June 23 start date. Patron and employee safety during this project is a top priority. Anticipated project completion is the week of July 11.
- Entry features: The community’s entry features have two pump and motor assemblies each. The large motor in the south entry feature was replaced and the pump assembly has been repaired. There is one remaining pump and motor assembly in the north falls to be rebuilt next year.
- Waterfall lights: The water fall lights have been replaced in both the north and south entry features with LED fixtures for proper illumination.
- Independence Day Celebration: July 3, 6-10 p.m. The Community Center will be closing early at 4 p.m. due to the fireworks fallout zone restrictions. All cars must be out of the parking lot by 4:30 p.m.; there will be no access to Community Park through the Community Center, the parking lot or across the footbridge. The Community Park parking lot will be closed from 8 a.m.-4:30 p.m., only allowing access to authorized personnel and vendors setting up for the event. Traffic control plan will be set up by 2 p.m., with many road restrictions and closures. Check the website for more details.

FINANCIAL REPORT

Mr. Greenstein summarized the Balance Sheet and Income Statement for the Board and reported the following:

- Anthem Council financial performance for May 2016 is trending both favorable to budget and favorable vs. 2015 after five months of operations.
- Financial Statement Review:
 - Net of cash balances due to our HOA partners, the ACC has \$2.8 million in operating cash.
 - Our adjusted Reserve Fund balances at \$12.6 million continue to remain in excess of 109% fully funded against our 2013 independent Reserve Study. 2016 spending is estimated at \$775,000 which includes approximately \$230,000 carried over from 2015 to complete selected reserve projects. The majority of this reserve spend will be accomplished within the next three months.
 - Collections and Accounts Receivable balances continue to trend positively. As of the close of May, total community open receivables are at \$1.48 million, which is \$230,000 below May 2015. Presently, 2,000 owners have signed up for the ACH Direct Debit program. Owners with delinquencies of at least one calendar quarter were 611, a decline of 31% vs. May 2015.
 - YTD Enhancement funding is \$29,000 above comparable 2015 with 384 properties transitioned YTD. Average selling prices for Parkside and Village properties have increased, while average selling prices for Country Club properties have declined.
 - The Opportunity Way Park Project continues to be on budget, with approx. \$1.7 million spent to-date.
 - Comparing actual 2016 results vs. budgeted 2016 amounts:
 - Revenues are positive by 3% as resale revenues and community rentals (Civic Building and Community Park) have exceeded budget.
 - Expenses incurred for Community Center Programs, Marketing, Utilities, Repairs and Maintenance, Professional Fees, Financial Costs, Contract Services, and General & Administrative expenses are all showing positive savings and variances from budget. Overall, total community expenses are \$67,000 below YTD May 2015 levels.

- The ACC certified audit has recently concluded, and documents will be presented to the Board for acceptance and approval at the July Open Meeting. The auditors found no material modifications to the ACC draft numbers. Additionally, the auditors found no material weaknesses in the ACC's internal controls and had no recommended changes.
- The ACC's Workers Compensation policies have seen their annual premiums decline almost 50% from three years ago as a result of continued implementation of safety programs, and monthly community-wide safety meetings. The ACC's "EMod" rating, which determines premium levels, is at its lowest point in 8 years, reflecting a top-down focus on safety throughout the community, our programs and our events.
- Overall revenues YTD are approximately 1% over both budget and prior year.
- Utilities are performing 11% better than budget and 7% better than 2015, as improved conservation efforts implemented in 2015 are now delivering results. Our Parks & Facilities team is implementing an irrigation conversion project in Paseo which will further significantly reduce overall water costs.
- All other expense categories are performing at or better than budget and consistent with 2015 YTD comparisons.

Mr. Greenstein stated that full disclosure financial statements are posted to www.OnlineAtAnthem.com.

A. Update on Opportunity Way Park

Ms. Hill presented recent photos and expenditures for the contingency budget. To date, the project is tracking within the approved budget. Ms. Hill stated if there are unanticipated items that would cause the Anthem Community Council to go over budget, staff would ask for authorization at a public meeting. Major construction efforts at Opportunity Way Park have wrapped up and we are on schedule for a grand opening in mid-September.

OPEN DISCUSSION:

Ron Jerich, resident, inquired about recycling the old tiles from the roof. Mr. Metcalf stated they will be recycled.

Ron Jerich inquired about the Economic Development agreement with Ms. Maxwell. Ms. Kohl stated the Board held a public work session and it was decided not to approve it at this time. The Board will conduct a work session on economic development in the future.

Ron Jerich, inquired about the noise abatement at the community park. President Halleran stated we have a group looking into this issue. Mr. Shearer stated discussions will take place over the next few months.

Ron Jerich, inquired about the assessments to Merrill Gardens and requested Mr. Greenstein provide an update on the benefits for each one of the units as well as Spectrum. Mr. Greenstein stated assessments for Merrill Gardens and Spectrum are covered in Exhibit C of our CC&Rs. They will pay at the same rate the Villages and Bela Rosa pay as multiple family units. Conservatively, it will be three to four times what the current assessments are for the vacant lots.

APPROVAL OF MEETING MINUTES

Treasurer McKenzie made a motion to approve the minutes from May 25, 2016 Open Session and June 8, 2016 Special Meeting. Vice President Willis seconded. Voting took place; the motion passed unanimously.

CONSENT AGENDA/ACCEPT COMMITTEE REPORTS:

B. Accept Committee Reports

- 1) Economic Development Committee
 - a. June 1, 2016 Meeting Minutes

Treasurer McKenzie made a motion to accept the consent agenda. Vice President Willis seconded. Voting took place; the motion passed unanimously.

DISCUSSION OF ITEMS REMOVED FROM THE CONSENT AGENDA: None

COMMITTEE UPDATES AND ACTION ITEMS

A. Consider Committee Member Appointments

President Halleran stated that he, staff, and Committee Chairs met to review potential candidates and are presenting the Board with their recommendations. Each committee member serves a two-year term.

Treasurer McKenzie made a motion to approve the following appointments to ACC committees, all with terms of June 30, 2016 to June 30, 2018: Loren Linscott and Glenn Klinksiek to the Fiscal and Resource Management Committee; Don Trefry, Enza Ciolino, Richard Digilio and Debi Ecker to the Economic Development Committee; Mike Spinelli, Max Sommacampagna and Nate Storjohann to the Community Planning and Development Committee. And move to appoint Tim Fyke and Craig Boates to the Commercial Design Review Advisory Committee for terms of June 30, 2016 to June 30, 2017. Vice President Willis seconded. Voting took place; the motion passed unanimously.

B. Consider Committee Chair Appointments

Mr. Halleran stated that committee chairs serve a one-year term. He proposed the following chair recommendations:

- Fiscal and Resource Management: Richard Yennerell
- Economic Development: Justin Simons
- Utilities Panel: Roger Willis
- Commercial Design Review Advisory: Tim Fyke
- Anthem Veterans Memorial Support Team: Ron Tucker

Treasurer McKenzie made a motion to approve the ACC Committee Chair appointments as follows for terms of June 30, 2016 to June 30, 2017: Richard Yennerell as Chair of the Fiscal and Resource Management Committee; Justin Simons as Chair of the Economic Development Committee; Roger Willis as Chair of the Utilities Panel; Tim Fyke as the Chair of the Commercial Design Review Advisory; and Ron Tucker as Chair of the Anthem Veterans Memorial Support Team. Vice President Willis seconded. Voting took place; the motion passed unanimously.

C. Anthem Youth Advisory Council

1) Consider Appointments to the Anthem Youth Advisory Council

Mr. Halleran stated the previous two years, recruitment for the Anthem Youth Advisory Council (AYAC) has been conducted at the beginning of the fall semester. Based on feedback from previous members, the advisory team decided to move recruitment to the spring, which allows time during the summer for team-building activities and bonding before the official start of the term in September. Ryan Halleran, Adam Testa, and Max Sommacampagna of the AYAC Advisory Team conducted the selection process and all candidates were interviewed.

Treasurer McKenzie made a motion to approve the following appointments to the Anthem Youth Advisory Council, all with Terms of September 1, 2016 to May 31, 2017. Maxwell Serke-Smith, Izzy Hoffman, Ember Foxx, Luke Kollings, Lucas Lundstrom, Camille Poznecki, Haaris Abassi, Prahasitha Ponaka, Jake Stento, Caitlyn Faley, Brenden Castellanos, Michael DePiazza, and Logan Peiman, with Logan Ellsworth as an alternate. Director Mullarkey seconded. Voting took place; the motion passed unanimously.

D. Utilities Panel

1) Consider Filing as an Intervener in the Wastewater Rate Case

Vice President Willis stated on April 29, 2016 EPCOR filed a request for new wastewater rates for all five of their wastewater districts with the Arizona Corporation Commission (AzCC). This rate request presents new rate designs under three models: full consolidation of all five districts for ratemaking purposes, standalone by district (which is the current model) and standalone by wastewater system (requiring restructuring of the Agua Fria and Sun City West districts which has no effect on Anthem). Vice President Willis stated he recommends filing as an intervener in the Wastewater Rate Case allowing the ACC the ability to receive data, write testimony as well as cross examine other interveners. The Utilities Panel has reviewed the case and unanimously agreed that the ACC should intervene.

Treasurer McKenzie made a motion to authorize Roger Willis and Jenna Kohl to file as interveners as representatives of the Anthem Community Council in the pending Wastewater Rate Case. Director Fyke seconded. President Halleran recused himself. Voting took place; the motion passed unanimously with six votes and President Halleran recusing himself.

NEW BUSINESS

B. Consider Authorizing Staff to Finalize Agreement for Renovation of the Community Park South Tot Lot, and Provide Guidance on Options

Mr. Shearer explained that the Community Park South Tot Lot Playground is scheduled to be renovated in 2016 as a budgeted Reserve Fund Project. Like the original Adventure Playground that was renovated in 2014, this 16-year-old playground was built largely with wood play features which have deteriorated and need to be replaced with a new play and aesthetic features for enhanced safety, accessibility, durability and enjoyment. The new playground will be in compliance with current safety and accessibility standards and will include play components that support a wide variety of needs, such as social interaction, cooperative play, motor skills and sensory stimulation.

The reserve fund budget for this project is \$75,000, which is not sufficient to include many of the features residents have requested such as rubberized playground surface and extra swings in a new expanded section of the playground.

Director Kesselman inquired as to what the total project costs would be, aside from labor costs. Mr. Shearer stated \$120,000 along with BrightView credits for the balance would be enough to cover the renovation.

Director Mullarkey asked if when the rfp was sent out if we requested a “not to exceed number.” Mr. Shearer stated bids were received with the “not to exceed number,” but the playground surface was predominantly sand rather than pour-in-place surface and the playground equipment was relatively sparse.

Vice President Willis expressed support for the project, but was concerned that more detail was needed for the cost estimate. Mr. Shearer and Ms. Hill agreed to provide more substantive detail at the next meeting.

Treasurer McKenzie made a motion to authorize staff to proceed with the renovation of the Community Park South Tot Lot Playground, including selecting a qualified playground vendor, for a “not to exceed price” of \$120,000 and to use BrightView credits. Director Fyke seconded. Voting took place; the motion passed with six Ayes (Halleran, Fyke, McKenzie, Mullarkey, Kesselman, Balzer) and one Nay (Willis).

C. Consider Support of Partnership Agreement with the Sonoran Arts League for the Art in Public Places Program at the Anthem Civic Building, and Authorize Staff to Finalize the Agreement

Ms. Hill stated that, earlier this year, the Board officially approved the ACC’s Public Art Program, a component of which includes the display of art in the Civic Building. We propose to partner with the Sonoran Arts League (SAL) to conduct the call to artists, select (jury) the art and install the display. The SAL Board met and gave the go ahead on a trial basis of one rotation lasting four months. A call to artists will go out on August 1, selected in October by two representatives from the ACC, two from SAL and one independent juror, with the program launching formally on November 2. The art will be family friendly and offered up for sale.

Director Mullarkey emphasized that the art must be family friendly.

Treasurer McKenzie inquired if there was a designated spot in the building where the art would be displayed.

Ms. Hill stated there was a lot of open wall space in the Civic Building and the ACC would work with a committee, tour the building with them and get opinions on where would be a good host and best fit, taking into consideration the amount of pedestrian traffic.

Treasurer McKenzie made a motion to support the Partnership Agreement with the Sonoran Arts League for the Art in Public Places Program at the Anthem Civic Building, and Authorize Staff to Finalize the Agreement. Secretary Balzer seconded. Voting took place; the motion passed unanimously.

There being no further business to discuss, the meeting adjourned at 7:52 p.m.

Respectfully Submitted,
Tammy Tollefson
On Behalf of the Anthem Community Council Board of Directors