

anthem community council

Meeting of the Board of Directors
July 27, 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
Rick Kesselman - Director
Terry Mullarkey – Director

Members Absent:

Tim Fyke – Director

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
Kevin Shaffer, Community Center Director
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 6:29 p.m.

ESTABLISH QUORUM

President Halleran established a Quorum with six Board members present.

ADOPT AGENDA

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

PRESENTATIONS/AWARDS/ANNOUNCEMENTS

A. EPCOR Wastewater Consolidation Presentation

Shawn Bradford, Vice President of Corporate Services EPCOR, presented the Wastewater Consolidation 2016 Rate Application and what it means for the Anthem Community. EPCOR filed the case with the Arizona Corporation Commission eDocket on April 29, 2016. This case is the sequel to the case settled in 2014, which deconsolidated the districts on a temporary basis. Now, the Commission will consider the case based on rate data from 2015.

B. 2015 Audit Presentation

Brad Enos of Mansperger Patterson & McMullin, PLC, stated that the 2015 audit report was issued and showed just a few audit adjustments. Revenues were up, expenses down, and cash investments are growing in reserve funds.

Treasurer McKenzie made a motion to accept the 2015 ACC Audit as presented. Vice President Willis seconded. Voting took place; the motion passed unanimously.

STAFF REPORT

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

- Aug. 12: Representative Town Hall, 9 a.m., Civic Building
- Aug. 24: ACC Board of Directors meeting, 6:30 p.m., Civic Building

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- The CEO, Utilities Panel Chair Roger Willis, and Director McKenzie met with Residential Utilities Consumer Office (RUCO) representatives in their downtown offices to meet their new director and discuss the pending wastewater rate case.
- Taylor McCulley and Jamie Flores are the new CEO appointments to the Anthem Youth Advisory Council (AYAC) Advisory Team. AYAC held their first team building event (a scavenger hunt) on Saturday, July 23.
- CEO Kohl and Management Analyst Meghann Hill are working with the Sonoran Arts League and the public arts working group to put together the Call to Artists for the fall launch of the public art program. This involves putting together and releasing the prospectus; meeting with a curator and planning for the selection and installation of art; and putting together details for the November launch party. The “jury” who will select the family friendly art will consist of two Sonoran Arts League representatives, an independent curator, Jenna Kohl, and Meghann Hill. Stay tuned for more details on the Nov. 2 art reception.
- Alan Muller of the NRDHCA has been convening meetings of area leaders to discuss the concept of a performing arts venue for the north valley. The most recent meeting involved representatives from the City, County, ProMusicaAZ, ACC, and the school district to explore the potential of raising funds to contribute to an expansion of a performing arts center that the district plans to construct in the north valley (along I-17) in a few years.
- Park and Rec Month: The National Recreation and Park Association (NRPA) campaign to recognize those who work in parks and recreation has been positively received in Anthem this month. In the first two weeks of the campaign, the ACC’s posts about ACC employees and the roles they play in the community reached more than 23K people with over 1.1K reactions (shares, comments, likes). The features will continue through July.
- Business Roundtable: The next Business Roundtable is Sept. 21 and will focus on “Best Practices.” A focus group of the Economic Development Committee (EDC) is working on details for this event.
- Commercial Property Database: Staff and the EDC are mid-way through the vetting process to embed the commercial property database on the website. This should be completed by August and will be demonstrated at the Roundtable in September.
- Big Splash Water Park: Staff started opening the Big Splash Water Park an hour early one day a week beginning Thursday, July 7, for use by residents with special needs and their families. The times and dates for this pilot program is 9-10 a.m. on Thursdays through Aug. 4 – the last Thursday that the Water Park is open for the summer.
- Aquatics Staff: The ACC Community Center's aquatics staff participated in the Ultimate Lifeguard Challenge 2016 at the Kiwanis Recreation Center in Tempe on June 26, earning a five-star rating. The co-ed team, comprised of Brittney Clark, Claire Ballam, Nate Wieland and Jake Bulat, earned sixteenth place overall. The men's team, comprised of Dakota Rubie, Brendan Sauer, Luke Weber and Gabe Liete, took fifth place overall. The women's team, comprised of Krista Kolkebeck, Alexa Kolkebeck, Maddy Taft and Meredyth Rubie, took fourth place overall.
- Summer 2016: Despite summer being in full swing, the civic building continues to be very busy, with an average of 45 meetings/events per week.
- Teen Summer Sampler: 41 teens are registered and attendance continues to grow each week. The teens continue to build friendships, learn valuable lessons and stay active in a positive environment.
- Senior Cinema Wednesday - Cost is \$5 and covers snacks/beverages. Ages 50+. Pay at the door; no registration required. Closed captioning provided. Aug. 17 – "Star Wars - The Force Awakens"
- Opportunity Way Park: Park benches, dog stations, trash cans and new grills have been installed at OWP by Parks & Facilities staff, and utility boxes have been painted. The sod has been installed over the EPCOR recharge facility and the stolons continue to grow.
- Liberty Bell: The Ramada at Liberty Bell has been repainted and two new grills and two new picnic tables have been added. The Bermuda turf has been re-seeded and is showing signs of improvement.
- Community Park: The grass in Community Park is going through the winter to Bermuda grass transition period which results in brown patches, as compared to the vibrant green outfield areas for the softball and baseball fields that are not overseeded.
- District Little League Tournament: The District Little League Tournament was recently played at the baseball fields and attendees were highly complementary about the quality of the ACC’s fields.
- Civic Building Roof Project: This extensive project is complete.

- Little League Field 3 Renovation: This Board-approved project began on July 20 and will be reopened in mid-August.
- Anthem Sprint Triathlon: This event, hosted by 4 Peaks Racing, will take place on Aug. 27 starting and ending at the Community Center. Participants will arrive at 5 a.m. for check-in; race starts at 6:30 a.m. Please note there will be heavy pedestrian traffic and road restrictions in the area of the Community Center, Community Park, and along Gavilan Peak Parkway. Race is expected to conclude by 11:30 a.m.
- Autumnfest Arts & Crafts Fair, Oct.22-23: Registration materials are available for craft vendors and non-profit organizations. We are accepting sponsorships through Sept. 2.

FINANCIAL REPORT

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

- Anthem Council financial performance for June 2016 is trending both favorable to budget and favorable vs. 2015 after six months of operations.
- Financial Statement Review:
 - Net of cash balances due to our HOA partners, the ACC has \$3.5 million in operating cash.
 - Our adjusted Reserve Fund balances at \$13.0 million continue to remain in excess of 110% 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 June, total community open receivables are at \$1.37 million, which is \$525,000 below June 2015. Presently, 2,100 owners have signed up for the ACH Direct Debit program. Owners with delinquencies of at least one calendar quarter were 437, a decline of 36% vs. June 2015.
 - YTD Enhancement funding is \$23,000 above comparable 2015 with 483 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. \$1.9 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 \$165,000 below YTD June 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.
 - Utilities are performing 3% better than budget and 1% better than 2015. Our Parks & Facilities team is implementing an irrigation conversion project in Paseo which will further significantly reduce overall water costs in the Paseo community.
 - 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.

Report on Tot Lot Playground Renovation

Mr. Shearer stated that at the Board meeting on June 22 the Board authorized staff to proceed with the project and gave staff direction not to exceed \$120,000. After negotiating with vendors, the out of pocket cost will be \$108,500. The ACC selected Exerplay as the vendor with the playground equipment being delivered in three weeks from order date, and then an additional three weeks for install.

OPEN DISCUSSION:

Ron Jerich, resident, inquired about Summit Walk Court and requested an update. Ms. Kohl stated the ACC and Summit Walk Court property owners have met and will collaborate with the ACC on how to approach the maintenance of the roadway.

Ron Jerich inquired about Triumph Court and voiced his concern about the truck for sale, the landscape trailers and commercial vehicles parked there. Mr. Kohl stated it is a county roadway, therefore the ACC does not have any authority. Ms. Kohl stated that the ACC has reached out and will continue to reach out to the county and advised Mr. Jerich that he, as a resident, could also reach out to the County and pass along his concerns.

APPROVAL OF MEETING MINUTES

Treasurer McKenzie made a motion to approve the minutes from June 22, 2016 Work Session as written; June 22, 2016 Open Session with a correction to clarify Vice President Willis expressed support for the Tot Lot project, but was concerned that more detail was needed for the cost estimate and to add that Mr. Shearer and Ms. Hill agreed to provide more substantive detail at the next meeting; and July 6, 2016 Open Session as written. Secretary Balzer seconded. Voting took place; the motion passed unanimously.

CONSENT AGENDA/ACCEPT COMMITTEE REPORTS:

A. Approve Anthem Country Club Community Association Design Guidelines Changes

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 Community Planning and Development Committee Appointment

Ms. Kohl stated President Halleran and staff met and interviewed the candidate and recommend the appointment of Mr. Cronk for a term of August 1, 2016 to June 30, 2017 to the Community Planning and Development Committee.

Treasurer McKenzie made a motion to approve Mr. Cronk's appointment to the Community Planning and Development Committee for a term of August 1, 2016 to June 30, 2017. Vice President Willis seconded. Voting took place; the motion passed unanimously.

OLD BUSINESS

A. Consider Request from Pulte to Endorse the Amended and Restated Tract Declaration for Lot 28 of Anthem Commerce Park 33.2

Ms. Kohl stated last November, the ACC Board was approached by Home Run Properties, the owner of the parcel in question, who desired to sell the property to U-Haul for development as RV/boat storage. This property, however, has a deed restriction that limits development on the parcel to a bowling center and related uses. Pulte is seeking formal action on this item.

Vice President Willis made a motion to support Pulte's decision as Declarant, to change the land use in the tract declaration for Lot 28 of Anthem Commerce Park 33.2 to allow boat and RV storage pending the sale of the property to U-Haul with mini storage facilities and for no other purpose. Director Mullarkey seconded. Voting took place; the motion passed unanimously.

NEW BUSINESS

A. Consider Approval of the County Right-of-Way Maintenance Agreement

Mr. Shearer stated when Anthem was developed as a master planned community, an agreement was executed with Maricopa County in 2000 to delineate maintenance responsibilities for various infrastructure features and landscaping within the County's right-of-way. Because Anthem's major roadways, medians, bridge railings and landscaping were built to higher aesthetic standards than the County's requirements, maintenance responsibilities

for these amenities within the County's right-of-way were assigned to the Anthem Community Council. The original agreement expired in 2005 and since that time, the County and the ACC have operated in good faith without an active maintenance agreement. The proposed amendment is for a period of five years and removes the ACC from maintenance responsibility for sidewalks and driveways in the County's right-of-way.

Treasurer McKenzie made a motion to approve the agreement with Maricopa County for maintenance responsibilities within the Maricopa County right-of-way in the unincorporated areas of Anthem. Director Mullarkey seconded. Voting took place; the motion passed unanimously.

B. Consider Approving Paseo Irrigation Water Conversion

Mr. Shearer stated when the developer built Paseo, the irrigation system for the common areas was connected to potable water lines. The cost to irrigate Paseo has increased significantly due to increase in water rates and watering demand. The costs are charged to Paseo property owners as a benefitted assessment, along with other common area maintenance costs. The water costs have exceeded the Paseo water budget in recent years, causing the overall Paseo budget to run at a deficit. After months of researching the irrigation system for possible leaks and proximity of nearby reclaimed water lines, ACC staff, in conjunction with BrightView and EPCOR, have devised a plan to convert Paseo's irrigation system from potable water to reclaimed water. The total cost of the project is estimated at less than \$16,000. ACC will pay this cost and then be repaid from the savings that will accrue from reduced irrigation bills in the first few months after installation.

Vice President Willis asked if EPCOR has enough reclaimed water to provide for Opportunity Way Park as well as Paseo and the Community Park. The ACC staff has received in writing that EPCOR does not perceive this as a concern.

Treasurer McKenzie made a motion to authorize staff to proceed with plans to convert the potable irrigation water system for the ACC owned common areas within the Paseo townhomes neighborhood to reclaimed irrigation water and to authorize the ACC to pay the upfront conversion costs and to be repaid from the savings in subsequent water bills. Secretary Balzer seconded. Voting took place; the motion passed unanimously.

C. Consider Adoption of the ACC Board's 2016-2017 Strategic Priorities

Ms. Kohl stated the Board met and reviewed, modified and updated identified strategic priorities that guide the Board and staff in serving the Anthem Community. It serves as a guide for developing the budget, and sets the stage for how resources and focus will be allocated moving forward.

Vice President Willis advised Anthem residents that the ACC's top priority is to ensure that core services are being provided in the highest quality, most cost efficient manner, which is a new initiative.

Treasurer McKenzie made a motion to adopt the Board-developed strategic priorities for the Anthem Community Council for 2016-2017. Director Kesselman seconded. Voting took place; the motion passed unanimously.

D. Consider Authorizing CEO to Serve as Advisor to the Friends of Daisy Mountain Trail Group

Ms. Kohl stated the Desert Foothills Land Trust (DFLT) brought the effort to preserve and protect Daisy Mountain under its charter with the creation of a Save Daisy Mountain Committee. The committee determined the best course of action was to reinvent the group as an independent 501C3, the Friends of Daisy Mountain Trails group (FDMT). The group consists of seven directors that represent the area surrounding Daisy Mountain. There are also two individuals from New River who are serving as advisors to the FDMT board. The directors and advisors have been very active, meeting regularly to establish goals, objectives, and action steps. The group has asked that Ms. Kohl serve as an advisor, therefore Ms. Kohl would be attending meetings and staying engaged in their process and efforts.

Director Mullarkey inquired as to how much time would be involved in attending the meetings and being an advisor.

Vice President Willis stated it is strictly an advising role and will not require any more time than she is currently spending on the Save Daisy Mountain Committee.

Ms. Kohl stated because this is taking on a more formal role that is why it is being brought up to the Board.

Vice President Willis made a motion to authorize the CEO to serve as an advisor to the Friends of Daisy Mountain Trails Group. Treasurer McKenzie seconded. Voting took place; the motion passed unanimously

There being no further business to discuss, the meeting adjourned at 8:20 p.m.

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