anthem
community council

Meeting of the Board of Directors
September 28, 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 6:31 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. Secretary Balzer seconded. Voting took place; the motion passed unanimously.

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

- Budget preparation: We are preparing for a joint meeting of the FaRMC and ACC Board on Oct. 5, when we will present a proposed budget for your comment, with the final budget before the Board at your October Board meeting.
- Oct. 8: Java & Jammin', 9:30-11:30 a.m., Civic Building (with New Resident Welcome). This month's performer is Todd Owens. Merrill Gardens and CenturyLink are October's sponsors. Over 50 were in attendance for the September event.
- Go Green: Saturday, Oct. 8 from 8 a.m. to noon.
- Autumnfest Arts & Crafts Fair, Oct. 22-23: Registration is now closed for crafters, vendors and sponsors. The event will be held 10 a.m.-5 p.m., Oct. 22, and 10 a.m.-4 pm., Oct. 23.
- Oct. 26: ACC Board of Directors meeting, 6:30 p.m., Civic Building.
- Anthem Youth Advisory Council: The AYAC had two team building events over the summer, and held their kick off meeting on Sept. 7 with a discussion on values. They will meet monthly, and will focus on strategic planning at their next meeting. Two representatives from the AYAC will be at each Board meeting starting in October to update the Board on their activities (and to practice their public speaking skills).
- Oct. 30: Anthem Farmers Market returns, 9 a.m.-1 p.m., Community Park.
- Public Art Program: "Art in Public Places" will debut at the Anthem Civic Building this fall as a partnership between the Anthem Community Council and the Sonoran Arts League. The juried exhibit of art will be displayed beginning Oct. 3. The family-friendly exhibit will coincide with the special release of an Anthem

Veterans Memorial fifth-anniversary, commemorative art piece by local artist/AVM designer Renee Palmer-Jones. Public launch event will be Nov. 2 at 6 p.m. OnlineAtAnthem.com/public-art.

- Veterans Day Ceremony, Nov. 11 at 10 a.m.: Plans are well under way for this year's 5th anniversary celebration of the Veterans Memorial. For this year only, a pancake breakfast will be offered for a donation, starting at 8 a.m., hosted by St. Rose Knights of Columbus.
- Updating Facility Master Plan educational materials for the website.
- Fall programs shaping up for Community Center: Java & Reading; Coffee & Crafting; Saturday Night Fever series; Parent/Child Yoga; Dodgeball Tournaments; Maintain, Don't Gain; and 2016 Monster Ball. Watch for a survey allowing residents to weigh in on program/class ideas for 2017.
- Civic Building Events/Programs: Alzheimer's Awareness Series, Anthem Mind Quest, Digital Photography, How I Built My Own Planetarium, Mind & Body Series.
- Business Roundtable: Hosted by the EDC, this event was held Sept. 21. Panelists included Maria Estrada, Josh Rogers, Justin Simons, Rochelle Decker (last year award nominees), with support from Rich Digilio and Scott Zychowski, focused on "Business Best Practices." More than 60 were in attendance at the event.
- Mailbox Vandalism/Theft: There have been several complaints of mailboxes being broken into. Staff is working closely with the Post Office and the contract vendor to repair the boxes and upgrade where necessary. Replacement of the mailbox units will happen sooner than originally planned.
- Overseeding: Seed is down in Community Park with grow-in cycles varying by zones.
- Discovery Playground: Work on Discovery Playground is in full swing. The majority of new play equipment has been installed. Upcoming tasks include installation of the rubber surface; extensive concrete and masonry work; installation of picnic tables, benches, shade canopies and new sand; and numerous landscape improvements.
- Opportunity Way Park: Substantial punch list items were completed for the Grand Opening of OWP. Current emphasis is on critical operating details associated with the mowing and irrigation schedule, janitorial services, and opening and closing the park.

FINANCIAL REPORT

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

- Anthem Council financial performance for August 2016 is trending both favorable to budget and favorable vs. 2015 after eight months of operations.
- Financial Statement Review:
    - Net of cash balances due to our HOA partners, the ACC has $2.5million in operating cash.
    - Our adjusted Reserve Fund balances at $13.3 million continue to remain in excess of 110% fully funded against our 2013 independent Reserve Study. 2016 spending is estimated at $775,000 of which approx. $400,000 has been expended to-date.
    - Our adjusted Enhancement Fund balances are currently $620,000 net of remaining obligations outstanding on Opportunity Way Park. Projected end-of-year balance in the fund is $725,000 - $750,000. YTD Enhancement funding is $3,000 below comparable 2015 with 643 properties transitioned YTD.
    - Collections and Accounts Receivable balances continue to trend positively. As of the close of August, total community open receivables are at $1.43million, which is $400,000 below August, 2015. Presently, 2,300 owners have signed up for the ACH Direct Debit program.
    - Current liabilities are $1.8million which is the lowest level achieved for 2016. The ACC maintains the majority of its business partners on net 30 day terms and consistently honors those terms.
    - Net revenues are approx. $150,000 favorable to budget and $100,000 favorable to 2015. Increases in resale revenues, Civic Building rentals and park rentals account for the majority of the favorable variance, offset by lower than anticipated net Community Center program revenues.
    - Overall utilities costs are $30,000 favorable against budget and against 2015, with electric costs representing a $48,000 favorable variance, gas representing a $9,000 favorable variance and water representing a $27,000 unfavorable variance.
    - Expenses for Repairs & Maintenance, Community Involvement, and Professional Fees are slightly favorable to both budget and 2015 levels.

- Contract Services expenditures are $110,000 favorable vs. budget and level with 2015 resulting from continued diligent oversight of key vendor contracts and improved preventative maintenance
- Administrative costs are trending $275,000 favorable vs. budget and level with 2015. Favorable results in personnel costs, office consumables, postage & mailing and equipment rentals are offset by higher expenses for IT services, security, and benefits costs.
- Overall, ACC staff management of our financial and operational resources have resulted in a net reduction of Operating Fund expenditures of $500,000 against budget and level with 2015, effectively mitigating the continued higher costs of operating the community through aggressive management of resources and vendor relationships.

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

APPROVAL OF MEETING MINUTES

Treasurer McKenzie made a motion to approve the minutes from August 17, 2016 and August 24, 2016. Secretary Balzer seconded. Voting took place; the motion passed unanimously.

CONSENT AGENDA/ACCEPT COMMITTEE REPORTS:

A. Accept Committee Reports

1) Utilities Panel Committee
   a. August 4, 2016 Meeting Minutes
   b. September 16, 2016 Meeting Minutes
2) Fiscal and Resource Management Committee
   a. September 21, 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. Anthem Neighborhood Watch Update

1) Anthem Neighborhood Watch Update

Chairman of the Anthem Neighborhood Watch (ANW) Mr. Nygaard stated the mission of ANW is to build and maintain a community-based organization of residents who will help reduce the crime in Anthem neighborhoods; promote safety and security measures for people and property; and assist in improving the quality of life of Anthem residents. Since January the Executive Committee volunteer time is over 1675 hours. A block captain recruitment plan was developed and implemented in 2016 that included several training sessions resulting in the activation of 12 new Block Captains in 8 neighborhoods.

2) Consider Approval of the Anthem Neighborhood Watch 2017 Work Plan

Treasurer McKenzie made a motion to approve the Anthem Neighborhood Watch 2017 Work Plan. Vice President Willis seconded. Voting took place; the motion passed unanimously.

B. Utilities Panel

1) Consider Joining an Informal Alliance with Arizona Utility Ratepayer Alliance (AURA), American Association of Retired persons (AARP) and Other Communities

Vice President Willis advised the Utility Panel met with Mr. Pat Quinn and believe there is little or no financial risk to Anthem in joining the AURA alliance, while providing Anthem with a bigger voice in the APS rate case. In the event other members of the alliance want to pursue additional issues (and begin to incur costs), Anthem would have the right to withdraw from the alliance at that time. The Panel also believes that the "loose alliance" concept and the relationships we build with AURA and its other members will serve our community very well in future APS cases and, quite possibly, in water and wastewater cases.

President Halleran asked what is meant by "informal." Vice President Willis stated there is no obligation, no written agreements, no signed documents and no money exchanged, thereby, making it informal.

Vice President Willis made a motion to join the "loose alliance" with AURA, AARP and other communities that also decide to join and that the ACC not intervene in the APS rate case. Treasurer McKenzie seconded. Voting took place; the motion passed unanimously.

OLD BUSINESS

A. Update on the Community Center Space Needs Proposals; Provide Direction to Staff, as Needed

Mr. Shearer advised on September 13, a mandatory Community Center walk-through and pre-proposal conference was conducted by the ACC staff. We had a positive turnout with seven architectural firms attending. Proposals were due back from interested firms by 3:00 p.m. yesterday. We had four proposals submitted, all within budget of $25,000. The study appears to take eight to nine weeks to complete. After the analysis is complete, we will have results by early January. Engineers completed the inspection of the floor above the office area and have determined there is no visual indication of structural damage. Staff will return to the Board on October 26, 2016 to report on the evaluation and selection process and to seek Board approval to execute a contract with the selected firm and to proceed with the project, as recommended.

NEW BUSINESS

A. Consider Approval of Resolution 2016-R-4 Modifying Section 5.2.8 of the Board Policy Manual, Weapons and Drugs

Ms. Kohl advised resolution 2016-R-4 is being modified to match the law. Currently the Board Policy manual prohibits firearms on Anthem Community Council property. Mr. Sahl stated the resolution now more closely matches state law as a few years ago the law was changed to permit the storing of any firearm in the persons locked and privately owned motor vehicle or in a locked compartment of the persons privately owned motorcycle so long as the firearm is not visible from the outside of the vehicle.

Treasurer McKenzie inquired if there was an exception for law enforcement personnel including Rangers. Mr. Shearer stated if they are sworn peace officers under the law. Secretary Balzer inquired if that includes Posse. Mr. Shearer stated some members of the Posse have gone through training to carry and use firearms, but the Posse members are not sworn police officers with arrest powers. Mr. Shearer stated more research would be completed and revised language would be brought to the Board at the October meeting.

Director Kesselman advised the Board to delay the vote, request the ACC revise the language to make it clear who can and cannot carry a weapon and bring this back to the Board in October.

There being no further business to discuss, the meeting adjourned at 7:13 p.m.

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