anthem
community council

Special Meeting of the Board of Directors
October 2, 2017
Open Session at 4:00 p.m.
Anthem Civic Building
3701 W. Anthem Way
Room #3

MEETING MINUTES

Members Present:	**Members Absent:**	**Others Present:**
Bob McKenzie –Vice President	Roger Willis	Jenna Kohl, Community Executive Officer
Terry Mullarkey– Treasurer		Neal Shearer, Community Operations Officer
Dino Cotton – Secretary		Doug Greenstein, Community Finance Officer
John Balzer– Director		Michele DeMichele, Special Events & ACB Operations Director
Ryan Halleran, Director		Dave Fermoile, Community Center Director
Rick Kesselman - Director		Kristi Northcutt, Communications Director
		Brian Duncan, Parks & Facilities Maintenance Director
		Richard Yennerell, FaRM Committee
		Lynne Kirkman, FaRM Committee
		Kim Bodary, Recording Secretary

CALL TO ORDER
Vice President McKenzie called the Open Session to order at 4:00 p.m. and recognized those in attendance.

ESTABLISH QUORUM
Vice President McKenzie established a quorum with six Board members present.

ADOPT AGENDA
Treasurer Mullarkey made a motion to adopt the agenda as presented. Director Balzer seconded. Voting took place; the motion passed unanimously.

NEW BUSINESS

A. 2017 Budget Proposal Presentation and Discussion

Ms. Kohl presented the Anthem Community Council draft operating budget for 2018 with details on highlights of budget components, and thanked all those involved that successfully worked on this budget proposal.

Mr. Yennerell, FaRM Committee member, stated this is a good budget and suggested we make the proposed part-time financial analyst position a full-time position.

Treasurer Mullarkey stated the Board should decide how much to spend on the water rate case and asked for a clearer view on the reserve fund. Mr. Greenstein stated reserve fund contributions in 2017 were $2.06 million with budgeted spending at $2.1 million and actual only at $1.9 million. In 2018, $2.01 million is expected in contributions and spending is estimated at $1.2 million. The reserve spend in four years will be about $3.5 million. The accumulation of excess in the preceding years will offset the very significant spend possibility of $3.5 million.

Director Kesselman stated he would rather see dues increase slightly over the years rather than a lump sum in one year, and he is ok with the budget as proposed.

Director Balzer stated he would like a copy of the budget spreadsheets with changes, if any, highlighted from today's meeting. Director Balzer further stated that other communities in the water rate case should be pitching in to help

defray legal costs. Vice President McKenzie thanked the staff for all of their hard work with the budget especially with the cuts needed to balance the budget and agrees with Director Kesselman on gradual due increases.

Director Halleran inquired on the sport programs and revenue and Mr. Shearer stated the parks facilities rental income is increasing with the addition of Opportunity Way Park and we are looking at better ways to manage the increasing demand for sports fields. Mr. Shearer further stated that with the growth of youth sports organizations in the Anthem area, there is more competition for the ACC's sports programs which will impact our expenses and revenues.

Director Halleran inquired about the proposed parks walking patrol and Mr. Shearer stated that this will involve patrolling the upper park including Adventure Playground, the Veterans Memorial and the Skate Park during the busier seasons.

Director Halleran inquired on the invasive root system and Mr. Shearer stated tree and shrub roots are invading irrigation lines and valves which is one of the reasons we are seeing an increase in irrigation system expenditures.

Secretary Cotton inquired on transfers from the enhancement fund and Ms. Kohl stated the Enhancement Fund is regulated by the governing documents which give the Board broad latitude in how such funds are used. However, in 2011, a state law was passed that required us to restrict how we use those dollars; they had to support recreation. Ms. Kohl further stated the Board has directed ACC staff to ensure we are using those dollars to support recreation projects. This year, the law changed again so we may have more latitude, pending legal consultation, to use these dollars but it's been the practice to use them for capital improvements which enhance the quality of life for residents.

Secretary Cotton inquired on legal fees for Carpenter Hazlewood and if the HOAs used them and Ms. Kohl stated they are our general council but we often use different legal counsel in specialty areas such as for employment law. Ms. Kohl further stated HOA partners use Carpenter Hazelwood as well but if there is a conflict, then they will notify the Board so we can, if necessary, seek third party counsel.

OPEN DISCUSSION

Bettye Ruff, NV Posse member, stated the Posse will have to cut services to Anthem events with the proposed budget cut in the donation to the Posse. Mr. Shearer stated that we greatly appreciate the volunteer services provided by the Posse but that the ACC had to trim over $500,000 from various budget requests to balance the 2018 operating budget. Mr. Shearer described the ACC's historical funding support for the Posse, including the additional $60,000 provided over that time frame for radios which had not yet been purchased by the Posse. Ms. Ruff stated she couldn't address the requested financial information as Commander Rowe has that information, but they will need a minimum of $120,000 for radios alone.

Ron Jerich, resident, stated he's surprised and thankful there will not be any ACC assessment increases next year but inquired why this meeting wasn't announced at the September Board meeting. He feels that the 4:00 p.m. start time is not good for residents. Mr. Jerich further stated the financial analyst position should remain part-time; he disagrees with incremental assessment increases; and he feels staff should have to come to the Board to request money when they need it.

Vice-President McKenzie stated that the final budget proposal will come before the Board at the October 25 Board meeting. There being no further business to discuss, the meeting adjourned at 5:03 p.m.

Respectfully Submitted,
Kim Bodary
On Behalf of the Anthem Community Council Board of Directors