

# anthem community council

Meeting of the Board of Directors  
November 16, 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  
Terry Mullarkey – Director  
Tim Fyke – Director  
Rick Kesselman – 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  
Meghann Hill, Management Analyst  
Tony Smith, Business Services & Commercial Code Specialist  
Kevin Shaffer, Community Center Director  
Mark Sahl, Legal Counsel  
Johnathan Ebertshauser, Legal Counsel  
Kim Bodary, Recording Secretary

### **CALL TO ORDER**

The Open Session of the Anthem Community Council (ACC) was called to order at 6:35 p.m.

### **ESTABLISH QUORUM**

President Halleran established a Quorum with seven Board members present.

### **ADOPT AGENDA**

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

### **PRESENTATION/AWARDS/ANNOUNCEMENTS**

#### **A. Remembering Ron French**

President Halleran recognized Ron French and his many contributions to the Community.

#### **B. Anthem Youth Advisory Council (AYAC) Announcements**

Haaris Abbasi and Jake Stento updated the Board on the current AYAC projects. One of the biggest issues the AYAC is trying to tackle is vandalism. The AYAC would like to either use last year's poster or design a new poster with help from students at local schools. Another option would be to hold a contest where students can design the poster and submit their designs to AYAC. Vandalism is very costly and they discussed how to bring this awareness to the community and to let them know other types of vandalism do occur such as mail box destruction and tire marks on grass. The AYAC believes getting the word out via social media is crucial and they want to promote positive behavior among teens. Communication will be key at local high schools and elementary schools through the Prevention Convention and the AYAC will be at Anthem Days also.

### **STAFF REPORT**

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

- Nov. 21: HonorHealth Project Information Meeting, 6-7 p.m., Room 3, Civic Building. This will be an open house about the proposed development of new Medical Office, with potential for overnight stays.

- Nov. 24: Turkey Trot, 8:30 a.m., Community Park
- Dec. 6: Public Safety Roundtable, 2 p.m., Civic Building
- As part of the contract with Republic Services that Neal Shearer oversees, Republic is to provide the ACC with reports on amount of materials recycled and the diversion rate (which reflects how much waste is diverted from the landfill, i.e. to recycling). Anthem has a positive diversion rate ranging from 25.5 to 29%. Please note that this is only for materials collected east of I17, as the City of Phoenix handles west-side collection.
- Staff has been focused on medical insurance renewals and other benefits as we enter into open enrollment; preparing for the Veterans Day event and supporting the activities of the Anthem Veterans Memorial Support team in their efforts to celebrate the fifth anniversary of the Memorial; hosting the public art launch event; continuing work with the Anthem Youth Advisory Council; finalizing the contract for the Community Center Space Needs Analysis; overseeing the Discovery Playground project; meeting with the High Desert Little League Board; and preparing for an upgrade of our recreation software in advance of a major software conversion in 2017.
- We had over 200 people attend the public art launch on Nov. 2, a positive turnout considering the competition with the World Series. The Veterans Memorial painting donated by Renee Palmer-Jones, the designer of the Memorial, was auctioned off and raised \$3,000 for the Anthem Way Foundation. Liz and Harry Turner, Sheila A. Sorrentino, and Ray and Dale Norris had the winning joint bid. They have donated the piece back to the Anthem Community Council, and we will display it at the Civic Building.
- Business Awards: The Committee received a healthy number of nominations for the 2016 Business Awards. EDC selections were made at the Nov. 9 EDC meeting, with results to be announced at the Dec. 3 Chamber Gala.
- Discovery Playground is nearing completion, with an expected opening in mid-November Community Center Holiday Hours:

Thanksgiving	Thursday, Nov. 24: Open 7 a.m.-noon Friday, Nov. 25: Open 7 a.m.-7 p.m.
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**FINANCIAL REPORT**

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

- Anthem Council financial performance for October 2016 continues to trend both favorable to budget and favorable vs. 2015 after ten months of operations.
- Net of cash balances due to our HOA partners, the ACC has \$3.4 million in operating cash.
- Our adjusted Reserve Fund balances at \$13.5 million continue to remain in excess of 110% fully funded against our 2013 independent Reserve Study.
- Our adjusted Enhancement Fund balances are currently \$810,000 net of obligations outstanding on Opportunity Way Park. Projected end-of-year balance in the fund is \$875,000 - \$900,000 based on very strong resale activity in October and early November.
- Collections and Accounts Receivable balances continue to trend positively. As of the close of October, total community open receivables are at \$1.46 million, which is \$340,000 below October, 2015. Presently, 2,350 owners have signed up for the ACH Direct Debit program.
- Net revenues are \$150,000 above budget and level with 2015 results. Increases in resale revenues, Civic Building rentals and Park rentals represent line items with notable increases.
- Overall utilities costs are \$40,000 favorable against budget and \$45,000 favorable against 2015 results. Electric costs are showing the more significant savings. Our anticipation is that water costs will decline for November and December, specifically as a result of the Paseo conversion to effluent project.
- Expenses for Repairs & Maintenance are approx. \$50,000 over budget and \$50,000 over 2015 levels as the ACC continues to allocate increased dollars to infrastructure repair and maintenance throughout the community.
- Financial costs are \$150,000 favorable vs. Budget and \$80,000 favorable to 2015 results as both net insurance premiums are trending lower and bad debt expense is significantly lower than both budget and YTD 2015.

- Administrative costs are trending \$300,000 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 \$480,000 against YTD budget. The ACC continues to mitigate higher costs of operating the community through aggressive management of resources and vendor relationships.

Ron Jerich, resident, inquired about the excess budget and where it would go. Mr. Greenstein responded that any excess revenue will go into the reserve fund.

Mr. Greenstein stated that full disclosure financial statements are posted to [www.OnlineAtAnthem.com](http://www.OnlineAtAnthem.com).

### **Close Out Report for Opportunity Way Park (Financials and Community Impact)**

Ms. Hill gave an overview of the Opportunity Way Project and mentioned it was completed on time and under budget and has been well received by the community. Mr. Shearer mentioned there is an issue with parking on residential streets but they are working with the City of Phoenix and the residents on this. Mr. Shearer also stated they are balancing out games and fields to limit wear and tear on the fields and keep the parking issues limited.

Director Kesselman thanked everyone involved with the project as it took a lot of work, hours and effort to get this project completed. Director Mullarkey also thanked everyone involved and suggested we submit the project to some engineering committees for awards. Mr. Shearer mentioned we will be working through our Communications Department and with the project partners to submit award nominations.

### **OPEN DISCUSSION:**

Shari Miller, resident, inquired about Triumph Court and issues with commercial vehicles parking there and asked about putting a bike path in. Ms. Kohl stated she will reach out to the County regarding enforcement.

Ron Jerich, resident, suggested that the Board and Council reach out to newly elected county supervisor Bill Gates; Secretary Balzer stated that Mr. Gates will be at the next New River Desert Hills association town hall meeting on December 9 and residents can interface with him there.

Mr. Jerich inquired about amplified music in the park and what is being considered. President Halleran stated the Board has directed staff to bring forward a recommendation at the January 2017 meeting.

### **APPROVAL OF MEETING MINUTES**

**Treasurer McKenzie made a motion to approve the minutes from October 26, 2016. Director Kesselman seconded. Voting took place; the motion passed unanimously.**

### **CONSENT AGENDA/ACCEPT COMMITTEE REPORTS:**

#### **A. Accept Committee Reports**

- 1) Economic Development Committee
  - a. October 5, 2016 Meeting Minutes
  - b. November 9, 2016 Meeting Minutes

#### **B. APPROVE ANTHEM COUNTRY CLUB COMMUNITY ASSOCIATION DESIGN GUIDELINES CHANGES**

**Treasurer McKenzie made a motion to approve the minutes from October 5, 2016 and November 9, 2016 as well as the Design Guideline Changes as presented. 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. Economic Development Committee**

**1) Consider Approval of the Economic Development Committee 2017 Work Plan**

Aaron Williams updated the Board on the progress of the Economic Development Committee and presented the proposed work plan. Director Kesselman stated he is very impressed with a realistic and focused agenda for 2017.

President Halleran suggested Mr. Williams reach out to Heather Maxwell at the Anthem Area Chamber of Commerce to work together with them and other businesses.

**Treasurer McKenzie made a motion to approve the Economic Development Committee 2017 Work Plan. Director Kesselman seconded. Voting took place; the motion passed unanimously.**

**B. Fiscal and Resource Management Committee**

**1) Consider Approval of the Fiscal and Resource Management Committee 2017 Work Plan**

Mr. Greenstein presented the Fiscal and Resource Management Committee's proposed work plan for 2017.

**Treasurer McKenzie made a motion to approve the Fiscal and Resource Management Committee 2017 Work Plan. Director Fyke seconded. Voting took place; the motion passed unanimously.**

**OLD BUSINESS**

None

**NEW BUSINESS**

**A. Consider Donation from Pulte**

Phil Turner from Pulte gave an update on the progress of the new west side development and that a paved road will be going in two months from today and model homes should be up within a month. Mr. Turner then presented the Board a donation in the amount of \$65,000.

**Vice President Willis made a motion to Accept the Pulte donation. Director Fyke seconded. Voting took place; the motion passed with 6 Ayes (Halleran, Willis, Balzer, Fyke, Mullarkey, and Kesselman) and 1 Nay (McKenzie)**

**B. Consider Approval of Maintenance and Bill Back for Summit Walk Court**

Ms. Kohl stated the property owners at Summit Walk Court are prepared to move forward with Sunland's proposal to install slurry seal and the amount will be billed back to the owners. Ms. Kohl stated that the Council made it very clear to the business owners this is a short-term approach and won't address all deficiencies; additional road maintenance will be necessary in the future.

Director Kesselman inquired about the billing process and Mr. Greenstein responded that this will be billed as a special benefited assessment and the property owners will have thirty days to pay. Mr. Greenstein stated that Mr. Smith did a great job communicating the payment process to the property owners.

Treasurer McKenzie inquired if there was any conversation on the structural repairs as a temporary fix only and Mr. Smith stated they are aware of this and did agree as a group to only proceed with the minimal fixtures at this point.

**Treasurer McKenzie made a motion to proceed with maintenance to Summit Walk Court using a slurry seal as proposed by Sunland Asphalt at a cost of \$8,938, and to bill back the impacted property owners. Director Fyke seconded. Voting took place; the motion passed unanimously.**

**C. Consider Revision to the Architectural Design Guidelines, Section 7**

Mr. Smith reviewed the changes to the architectural design guidelines.

**Treasurer McKenzie made a motion to Consider authorizing staff to make revisions to the signage section of the Non-Residential Architectural Design Guidelines as recommended by ACC legal counsel. Director Fyke seconded. Voting took place; the motion passed unanimously.**

**D. Consider Approval of Agreement with the North Valley Posse for 2017**

Mr. Shearer reviewed the Agreement with the North Valley Posse for 2017 and explained that, as a volunteer organization, they need to purchase their own equipment, insurance and other necessary items, so this agreement is to help fund their business needs.

Mr. Jerich inquired about additional funding to help support the Posse and Ms. Kohl stated the Posse has launched a new fund raising campaign to help offset the costs.

Treasurer McKenzie asked if the Posse can provide services to the west side and Mr. Shearer states yes, they can assist if needed.

**Treasurer McKenzie made a motion to authorize the CEO to execute the Service Agreement with the Maricopa County Sheriff's North Valley Posse for the period from January 1, 2017 through December 31, 2017, in the amount of \$55,000. Director Fyke seconded. Voting took place; the motion passed unanimously.**

**E. Consider Approval of Fee Policy for Changes in Declarations**

Mr. Greenstein proposed a new policy that is intended to help offsets costs associated when applicants request a change of use in the supplemental declarations. The bill back would include all direct costs associated with processing the request for changes including staff and legal counsel's time. A deposit of \$4,000 would be required; any remaining funds would be returned to the applicant at the end of the process.

President Halleran inquired if this cost or fee was typical among municipalities and Mr. Greenstein replied yes.

Director Fyke stated this could impact businesses desiring to come here and Mr. Greenstein responded that this has been discussed internally and it's not an unusual type of expense for a party making the request.

**Treasurer McKenzie made a motion to adopt a Policy to Rebill All Incurred Direct Legal and Ancillary Fees to any Applicant Who Requires or Requests Any Modification of the Supplemental Declarations for a Non-Residential Parcel of Land the Applicant Wishes to Develop and/or Modify, as outlined in the Staff Memo of November 9, 2016. Director Fyke seconded. Voting took place; the motion passed unanimously.**

**F. Consider Use of Enhancement Funds and Set Asides**

Mr. Shearer gave an overview of the Enhancement Fund and proposed that the Board consider setting aside some percentage of the enhancement funds to take care of existing ACC recreational amenities, rather than allocating 100% of the Enhancement Fund on new recreational projects. He said that this topic was discussed at the Board's work session with the Community Planning and Development Committee in October and the purpose of tonight's agenda item was to lay the ground work for a future Board discussion and not to seek final policy direction. Mr. Shearer explained that the Enhancement Fund is a non-assessment revenue stream that must be used for recreational purposes. He referenced examples in the staff report of why it would be a prudent financial strategy for the Board to have flexibility in how future recreational needs are funded to take pressure off of the Operating Fund which comes primarily from assessments. The ACC has an important responsibility to update existing recreational amenities and to provide new high quality recreational amenities to meet evolving needs, in order to keep Anthem an attractive and desirable community for years to come.

Ed Varney, Community Planning & Development Committee member stated his concerns using enhancement funds and competing with staff projects for funding, as well as his concern that the Community Center project was not

previously discussed. President Halleran stated the Community Center space needs analysis was discussed in numerous public meetings started in fall 2015 as part of the budget process.

President Halleran advised that this issue will be discussed further in 2017.

**G. Discuss Adoption of a Consolidated Collections Policy**

Mr. Greenstein discussed the current collections policy and the need to consolidate into one document. The consolidated policy will be presented to the Board at the January 2017 meeting for formal consideration.

There being no further business to discuss, the meeting adjourned at 8:49 p.m.

Respectfully Submitted,

Kim Bodary

On Behalf of the Anthem Community Council Board of Directors