

anthem

community council

Committee Reports

Fiscal and Resource Management
January 18, 2017
Civic Building Vision Room
1:00 pm

MEETING MINUTES

Members Present:

Richard Yennerell (Chair)
Glenn Klinksiek
Brian Fahey
Bob Hebert

Members Absent:

Mark Senn

Others Present:

Natalie Beryozkin, Controller
Doug Greenstein, CFO
Lynne Kirkman, Prospective Member

CALL TO ORDER

The meeting was called to order at 1:00pm. A quorum was achieved.

ADOPT AGENDA

Agenda was adopted.

APPROVE MEETING MINUTES

- A. Meeting Minutes from November were previously approved by Email.

NEW BUSINESS

A. Discussion on December Preliminary Financial Statements and November Financial Statements

Chairperson Yennerell led a general discussion on 2016 financial results. There were no major concerns raised by FaRM members with the financial package. As the December preliminary package was provided shortly before the FaRM meeting, the FaRM members will forward any specific line item questions to Natalie and Doug in the coming week. Chairperson Yennerell spoke briefly on the In&Out Article which raised questions as to the timing of assessment increases.

B. Master Plan Project Involvement

All members of FaRM commented on how they could assist the ACC and Master Plan Committee on future master plan projects. The discussion centered on providing financial insight and cash flow analysis for selected project(s) and the importance of identifying recurring operating costs for whatever project(s) get approved, and how those recurring costs would be funded and their potential impact on future assessment levels.

C. Reserve Study

Chairperson Yennerell and Members Klinksiek, Fahey and Hebert discussed the Reserve Schedule for 2017 and future years. There was a discussion on the probable impact of adding in Opportunity Way Park, the Anthem Civic Building, and any newly approved 2017-2018 master plan projects to the next upcoming Reserve Study, scheduled for late 2018. There was a discussion and concern over the probable impact of these assets to the "fully funded" percentages of the Fund, and what the impact would be on future funding requirements.

D. Cell Tower Leases

Chairperson Yennerell advised that they were still awaiting Cell Lease information so that they could conduct a more extensive analysis. CFO Greenstein committed to providing that information shortly, and apologized for not previously delivering it. Controller Beryozkin led a discussion as to reviewing the contract language to potentially renegotiate the contracts to improve the revenue stream to the ACC. Chairperson Yennerell noted that Member Senn's background includes a review of cell tower leases and that Member Senn's analysis would be appreciated.

E. Long Range Planning Project

Chairperson Yennerell led a discussion on the status of this project. CFO Greenstein and Controller Beryozkin advised that the template was moved from the Budget System to the Monthly Reporting System so that projections could be updated more frequently and with more current information. Chairperson Yennerell asked for a demonstration of the application at a future FaRM meeting. There was also a brief discussion as to how the model is constructed.

F. Additions to the FaRM Committee

It was noted that both the ACC Staff and FaRM members should continue their efforts to recruit additional members. Ms. Lynne Kirkman, a CountryClub owner, attended the FaRM meeting as a prospective member. Ms. Kirkman advised on her background as a retired banker and loan officer. Once her formal application is provided, Chairperson Yennerell and ACC Board President Halleran will interview her for the Committee.

G. Insurance RFP

Chairperson Yennerell and Member Klinksiek spoke to the upcoming bid process for community insurances. Member Klinksiek led a discussion on how the RFP should result in better controls and pricing for future insurance renewals and the advantages of separating the brokers' fees/costs from the actual insurance premiums. CFO Greenstein advised that the Insurance RFP was scheduled to be mailed out to three potential bidders within the next two weeks for the May 2017 renewal.

H. Investment Advisory Services

FaRM members were advised by Controller Beryozkin that the investments in Eaton Vance have been made. The ACC placed \$1,500,000 into this advisory, changing from Alliance Bank. This change should add a minimum of 30 basis points to the net yields on invested funds.

I. Investment Policy Update

Chairperson Yennerell and Member Klinksiek discussed the existing Investment Policy. Chairperson Yennerell noted that they were still awaiting the recommendations from Blackrock and Morgan Stanley on the percentage allocation by category of currently invested funds and were also awaiting similar information from Blackrock & Morgan Stanley on recommendations for any changes to the percentages for 2017 forward which could improve yield without any additional risk to principal. FaRM members agreed that once that info was provided, they would integrate those changes, presuming approval, into a revised 2017 Investment Policy document.

J. Enhancement Fund "Set-Asides"

Controller Beryozkin and Greenstein informed FaRM as to a planned future Board discussion as to the prudence and viability of setting aside some percentage of current and future Enhancement Funds to offset the costs to maintain and improve existing recreational assets in the community. FaRM was favorable to the concept and FaRM was in agreement that such a potential discussion is important to the Community, as it alleviates some pressures from the Operating Fund and is a bona fide use of Enhancement Funds. FaRM agreed to work with both Staff and the Committee looking at future Master Plan projects to determine both the viability of future Master Plan projects from a financial perspective, as well as the maintenance of existing recreational assets, as well as the impact of any approved Master Plan project for its' impact on ongoing annual maintenance costs.

OLD BUSINESS

- There was no Old Business discussed.

EXECUTIVE SESSION

- There was no executive session.

ADJOURNMENT

- There being no further business to discuss, the meeting adjourned at 2:45 pm

Respectfully Submitted,
Douglas Greenstein