

# anthem

community council

## Committee Reports

Fiscal and Resource Management  
September 20, 2017  
Civic Building Vision Room  
1:00 pm

### MEETING MINUTES

**Members Present:**

Richard Yennerell (Chair)  
Bob Hebert  
Mark Senn  
Lynne Kirkman

**Members Absent:**

Glenn Klinksiek  
Brian Fahey

**Others Present:**

Terry Mullarkey, ACC Board Treasurer  
Doug Greenstein, CFO

**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 July were previously approved by Email.

**NEW BUSINESS****A. Presentation on Investment Performance**

Francisco Tort of Morgan Stanley led a discussion on the investment performance of ACC holdings in the Reserve, Operating and Enhancement Funds. He emphasized that all holdings were investment grade and met the requirements of the ACC Investment Policy. He pointed out that the funds were achieving net returns in excess of industry benchmarks, particularly the Eaton Vance investments of \$1,500,000. Chairperson Yennerell led a general discussion on whether selected investments in the Operating Fund (GNMA) should be sold off and reinvested in other vehicles since this particular investment was performing below expectations. Opinions on converting this specific investment were mixed across FaRM members, and the prevailing position was to wait another 1-2 months and then evaluate market conditions and then re-consider converting this investment.

Independent of Mr. Tort's presentation, CFO Greenstein provided detailed investment documents to the FaRM members of the ACC's current investments through JPMorganChase. These investments are also performing at or above current market comparatives.

**B. Discussion on August Financial Statements**

Chairperson Yennerell led a general discussion on 2017 YTD financial results. There were no major concerns raised by FaRM members with the financial package. Chairperson Yennerell raised questions on YTD operating performance relative to the 2018 Budget.

**C. Master Plan Project Involvement**

Chairperson Yennerell and Member Senn advised that they remain concerned over the anticipated master plan project investments in the Dog Park. While they recognized that the ACC Board has approved all master plan projects, FaRM believes that significant future investments in community amenities should be subject to more detailed needs analysis and more thorough community input. They voiced concerns over the anticipated operating costs that this project may entail.

**D. Reserve Schedule and RFP**

CFO Greenstein provided an update on the Reserve Study RFP process, noting that requests have been sent out to six (6) potential respondents. CFO Greenstein provided some background on historical Reserve Studies, and spoke to several of the objectives of this upcoming 2018 Study, including adding newer assets that previously were not in the 2013 Study, such as Opportunity Way Park, Adventure Playground, Liberty Bell Splash Pad, Anthem Civic Building, as well as noting that upcoming amenities such as the Dog Park, Skate Park and Pickleball Courts would need to be included in this or future Reserve

**E. Investment Policy**

Chairperson Yennerell noted that the Investment Policy for 2017 had been approved by the Board and had been transmitted to the ACC Investment Advisors.

**F. Commercial and Residential Revenues**

Chairperson Yennerell inquired as to the timing of future assessments from Merrill Gardens, Enclave at Anthem and Circle Mountain Ranch. CFO Greenstein advised that the Senior Living Centers will provide assessment funding beginning in January 2018 and that as of September 20<sup>th</sup>, no Circle Mountain Ranch properties had been closed. Chairman Yennerell and Member Senn inquired as to the maintenance implications and timing of Circle Mountain Ranch with particular focus on the Sound Barrier erected at the east end of the community bordering I-17. CFO Greenstein advised that at a future date, the ACC Board may consider a benefitted assessment for CMR owners to cover Sound Barrier maintenance costs, but that all discussions on CMR costs would be deferred until after CMR transitions from developer control to ACC and Parkside control.

**G. 2018 Budget**

CFO Greenstein provided an overview of the 2018 Budget and distributed a detailed, but preliminary budget. He advised that a balanced budget would be distributed the upcoming week, once Department Managers submitted their final budget documents. As most FaRM members will be unavailable either the week of the 25<sup>th</sup> or for the Joint Board / FaRM / Public meeting on October 2<sup>nd</sup> at 4:00pm, CFO Greenstein will meet with available FaRM members to discuss the budget during the week of the 25<sup>th</sup>. Chairman Yennerell expressed concern over the amount of time available to study the budget. Chairman Yennerell also led a discussion as to potential changes to future assessments and emphasized that any potential future changes should be based on quantifiable increases resulting from either AZ Prop 206, changes to major contracts costs or other verifiable sources. Chairman Yennerell and FaRM members noted that the ACC has continually looked for cost reductions and consistently performs better than budget and would like to see future budgets reflect these continuing savings.

**H. Staffing Changes in ACC Finance**

CFO Greenstein provided an overview of recent staffing changes to the Finance Team, including that Resales & Disclosure Specialist Maria Jackson has accepted a promotion to join the CountryClub HOA staff and that staff accountant Blanche Munnelly has requested to change her status from Full Time to Part Time, and that Collections Specialist Teresa Oorin has also requested a change in status to Part Time. FaRM members expressed concern as to the impact of these changes. CFO Greenstein assured FaRM that the impact would be limited as remaining team members will absorb the workloads and that most likely, an additional part-time position would be filled to cover the workload created by Ms. Munnelly's change of status.

**OLD BUSINESS**

**I. NONE**

**EXECUTIVE SESSION**

- There was no executive session.

**ADJOURNMENT**

- There being no further business to discuss, the meeting adjourned at 3:10 pm

Respectfully Submitted,  
Douglas Greenstein