

# anthem

community council

Meeting of the Board of Directors  
October 24, 2018  
Open Session at 6:30 p.m.  
Anthem Civic Building  
3701 W. Anthem Way  
Community Room

## MEETING MINUTES

### **Members Present:**

Roger Willis, President  
Terry Mullarkey, Vice  
President  
Rick Kesselman, Secretary  
Bob McKenzie, Treasurer  
John Balzer, Director  
Dino Cotton, Director  
Darrin Francom, Director

### **Members Absent:**

### **Others Present:**

Neal Shearer, Community Executive Officer  
Doug Greenstein, Community Finance & Operations Officer  
Jonathan Ebertshauser, Legal Counsel  
Kristi Northcutt, Communications and Public Affairs Director  
Michele DeMichele, Special Events & ACB Operations Director  
Brian Duncan, Parks & Facilities Director  
Dave Fermoile, Community Center Director  
Dawn Dworak, Management Analyst  
Kim Bodary, Recording Secretary

### **CALL TO ORDER**

President Willis called the meeting to order at 6:37 p.m. and recognized those in attendance.

### **ESTABLISH QUORUM**

President Willis established a quorum with seven Board members present.

### **ADOPT AGENDA**

**Treasurer McKenzie made a motion to adopt the agenda. Director Francom seconded. Voting took place; the motion passed unanimously.**

### **APPROVAL OF MEETING MINUTES**

**Treasurer McKenzie made a motion to approve the minutes from the September 26, 2018 Open Session and October 3, 2018 Work Session. Director Francom seconded. Voting took place; the motion passed unanimously.**

### **PRESENTATIONS/AWARDS/ANNOUNCEMENTS**

#### **A. Anthem Youth Advisory Council Announcements**

Lucas Lundstrom and Ethan Anderson stated that AYAC has chosen to focus on the topic of drug abuse awareness during this term. Until they develop their strategic plan (at their November meeting), they will continue to stay relevant on social media and in Anthem activities. They will have a float in the Daisy Mountain Veterans Parade Nov. 3 and reiterated their commitment to spreading their message, but also being a voice for the youth of Anthem.

#### **B. Presentation of Reserve Study**

Doug Greenstein and Dan Kessler, President of Criterium-Kessler Engineers, presented the 2018 Reserve Study (and explained the differences between an update and study). Mr. Kessler went into extensive detail to explain the study methodology including field inspections. Funding Option 3 [Alternative #2] demonstrates "appropriate funding" by creating a funding plan that incorporates stable annual funding for a number of years followed by increasing funding in the future. This option shows how the fund would maintain an appropriate funding balance to cover reasonable use without placing an excessive burden on assessment levels and coordinates assessment funding to anticipated expenditures in future years. Using the standard 30-year reserve planning window, this

option demonstrates that with a combination of short-term funding stability and reasonable increases in funding in future years, the Reserve Fund would result in an appropriate fund balance of approx. \$15,000,000 at the end of the 30-year window. As an additional note, this funding methodology has been successfully deployed by the ACC since 2014.

Carl Benner, resident and president of the ACCCA Board, complimented Mr. Kessler on his presentation and inquired what determines the 7.5M threshold, and Mr. Kessler stated they look at historical data, inflation and how robust the maintenance is.

Ron Jerich, resident, asked about the \$15M Reserve Fund balance, and Mr. Kessler stated this is good and where the ACC should be.

Ron Jerich, resident, inquired on needed repairs, and Mr. Kessler stated overall, the community infrastructure was in good condition and over the course of time, will need periodic maintenance, repair and, as necessary, replacement.

The next reserve study will be in 2022 or 2023.

President Willis thanked all teams involved with the reserve study.

**Treasurer McKenzie made a motion to adopt Funding Option 3 [Alternative #2]. Director Balzer seconded. Voting took place; the motion passed unanimously.**

### **C. Water Rate Case**

President Willis stated there is no update on the EPCOR water rate case, but the City of Phoenix did approve a 6% water rate increase for 2019 and 2020, which will affect west-side residents.

### **STAFF REPORT**

Mr. Shearer summarized a few items on the staff report that was included in the Board packet and posted online.

Mr. Shearer thanked Ms. Northcutt for arranging this year's Veterans Day ceremony keynote speaker; acknowledged the Autumnfest sponsors: BrightView Landscapes (Title); ProSkill and First Impression Security Doors (Event Level); and Honor Health (Food Court); gave special thanks to the Special Events and Parks & Facilities teams along with staff and volunteers for their hard work in making this year's Autumnfest a successful event; thanked ACC employee Desi Valdivia for training 34 staff on CPR; and acknowledged Ms. Dworak for her work on the pickleball project.

Mr. Shearer closed by noting that over the past several weeks, the ACC Board initiated appropriate actions to oppose the inclusion of Anthem properties in the NR-DH Incorporation map. Yesterday, the NR-DH Incorporation Committee announced that Anthem properties would be removed from the incorporation boundaries.

### **FINANCIAL REPORT**

Mr. Greenstein summarized the Balance Sheet and Income Statement for the Board. He summarized the financial performance, fund balances and collections activities. He noted that the ACC's monthly financial package has been upgraded to provide additional historical Balance Sheet information, graphs of operating and cost trends and summary variance reporting. The full disclosure financial statements are posted on *OnlineAtAnthem.com* as part of the documents supporting this open meeting. Mr. Greenstein encouraged all property owners to take the time to become familiar with our financial standing and results.

### **OPEN DISCUSSION**

Vaughn Miller, resident, inquired when the granite replacement would be done for the Hastings Way area, and Mr. Duncan stated it would be completed by the end of the year.

Vaughn Miller, resident, inquired on the EPCOR water hauling station expenses, and Mr. Greenstein stated a bill has been sent to EPCOR but that we have not received payment yet.

Vaughn Miller, resident, inquired on the increase of weeds around Anthem; Daniel Monson, BrightView Account Manager, stated they are stepping up weed abatement throughout Anthem; weeds over 3" are mechanically removed and weeds under 3" are sprayed. Mr. Shearer stated we address specific landscape issues with BrightView on an ongoing basis.

## **OLD BUSINESS**

### **A. Seek Board Direction on the Dog Park Design and Cost Estimates**

Dawn Dworak and Mike Park (EPG architect) presented a detailed PowerPoint outlining the design elements and costs for a 3-cell and 4-cell dog park. The design elements included: A 4-cell park, at \$1.55M (base construction costs); additional items above the base costs (signage, security, permitting, contingencies, realignment of the Maricopa Trail, etc.) bringing the total to \$1.83M. Ms. Dworak noted that reducing the park to 3 cells, would reduce the cost by approx. \$149,000; adding a one-stall restroom, would add approx. \$168,000 and adding two agility courses would cost approx. \$14,000 each.

Secretary Kesselman inquired on height difference of light poles and Ms. Dworak stated options were given due to concerns from residents about view impacts. Mr. Park stated the light spread on 24' poles will be greater resulting in fewer poles needed and light spread will be smaller with 18' poles resulting in needing more poles. Mr. Park further stated there would not be a significant amount of change in light using either pole. The lights will be low glare, low profile, and dark sky compliant LED lights.

Vice President Mullarkey inquired on drainage and the difference of sand depth, and Mr. Park stated the typical rooting depth of Bermuda grass is 6-8" resulting in accommodating 80-90% of the root zone. Mr. Park further stated if we reduce to 4", we are creating a lesser area for the grass to grow in.

Vice President Mullarkey inquired on 3-cell versus 4-cell and rotations and Mr. Shearer stated we are still researching the timing of rotations and staff is recommending the 4-cell design for optimal flexibility and turf health. However, he added that resodding would be required at some point under either the 3 or 4 cell option.

Director Cotton inquired about a scalable 3-cell dog park so that down the road, if there is extra money, a fourth cell could be added. Ms. Dworak and Brett Fowler (Valley Rain Construction), explained what would have to change to accommodate that 4-cell later, and why the larger cells are placed in the back.

Director Cotton inquired about potential flood impacts from the adjacent wash, and Mr. Park stated the grass area is set back 15' from the 100-year flood plain line.

Secretary Kesselman inquired on maintenance costs and Mr. Greenstein stated that re-sodding would be the dominant issue, but less so under the 4-cell design.

Treasurer McKenzie asked if plumbing for a restroom could be done now and Mr. Fowler stated yes. Mr. Park said it could also be done in the future with the same impact to Meridian Drive.

Ron Jerich, resident, stated his concerns with access to the dog park.

Deb Manley, resident, stated her concerns with safety if the restroom is built outside the enclosed areas.

Director Cotton inquired on selling memorial bricks to install at the entryway, and Mr. Park stated they could look into this if the Board decides to do so.

The design/build team will perform the detailed work required to develop the 90% design and 90% Guaranteed Maximum Price (GMP), to be presented tentatively at a Special Board Meeting on Dec. 12. Then, on Jan. 23, 2019,

final design and Guaranteed Maximum Price will come before the Board for approval. Target for project completion is Sept./Oct. 2019. The schedule is contingent upon county plan review/permitting, approval of the Maricopa Trail realignment and the Army Corp. of Engineers' approval of the NAOS boundary changes.

**Treasurer McKenzie made a motion to approve the 4-cell dog park concept and basic design elements as reflected in the staff report without the alternative items. Director Cotton seconded. Voting took place; the motion passed unanimously.**

**NEW BUSINESS**

**A. Consider Approval of Resolution 2018-R-03, Approving the Anthem Community Council 2019 Operating Budget**

Mr. Greenstein presented a slide show with a balanced 2019 Operating Fund Budget, with no assessment increases from the ACC.

Mr. Greenstein stated the Budget includes an annualized increased contribution of \$120,000 to the Reserve Fund and presented several challenges that were overcome in order to result in a balanced budget.

Mr. Shearer, Mr. Greenstein and the Board applauded the staff for their hard work and dedication to reducing costs and keeping assessments stable for our residents.

President Willis stated that this is the fourth public meeting that the board has held on the operating budget and that the Board's input and questions have been addressed throughout this process.

Ron Jerich, resident, inquired where the EPCOR water station money would go and Mr. Greenstein stated the ACC will receive \$500 monthly from EPCOR for their 20-year lease and will be placed in the miscellaneous revenue line.

**Treasurer McKenzie made a motion to approve Resolution 2018-R-03, approving the Anthem Community Council 2019 operating budget. Director Cotton seconded. Voting took place; the motion passed unanimously.**

There being no further business to discuss, the meeting adjourned at 9:26 p.m.

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