

# anthem

community council

## Committee Reports

Fiscal and Resource Management  
November 14, 2018  
Civic Building Vision Room  
1:00 pm

### MEETING MINUTES

#### **Members Present:**

Carolynn Hiron (Chair)  
Lynne Kirkman  
Bonnie Hirschberg  
Mark Senn  
Sam Crump

#### **Members Absent:**

William Bobbitt

#### **Others Present:**

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 Sept were previously approved by Email.

#### **NEW BUSINESS**

##### **A. Introduction of new FaRM team members**

CFO Greenstein formally introduced Mr. Sam Crump as a new FaRM team member, representing Parkside HOA.

##### **B. Update on Investment Rates**

CFO Greenstein advised that given recent Fed decisions to increase rates, that current 6 mo, 9 mo and 1 year CDs are generating net rates that are consistent with the current investments that the ACC has with several of our investment advisors. The recommendation was that as current investments mature, that the ACC first look at then-current CD rates and Treasury rates and compare those to the then-current rates that our formalized investments have, with the objective of potentially retaining more dollars in CDs while the rates were competitive. FaRM team members endorsed that recommendation. Member Senn introduced a discussion that in his HOA in Minnesota, that banks that his HOA is using is currently yielding 2% without any required time commitment and he recommended we review that. CFO Greenstein advised that he would have our Accountant make contact with the bank as soon as Member Senn could provide contact information.

Chairperson Hiron asked when Blackrock would next be presenting to FaRM, and CFO Greenstein advised that he will contact BlackRock to setup the meeting.

##### **C. Reserve Study Update**

CFO Greenstein advised that the Reserve Study for the ACC has been completed and that the recommendation from the Engineers was to increase the annual funding from \$2.1million to \$2.221million annually. Greenstein also advised that this funding rate was included in the 2019 Budget that was recently approved by the ACC Board. Greenstein also advised that the new Reserve Study shows this revised annual funding rate being held constant for at least six (6) years. Greenstein also advised on the status of the Paseo Reserve Study, which was anticipated to be completed in early December. He advised that the Engineers were looking at funding alternatives specific to the driveway pavers.

**D. Master Plan Projects**

Chairperson Hiron and CFO Greenstein led a discussion on the recently Board-approved Dog Park, which has, at this time, an estimated build price of \$1.8million, and spoke to some of the construction issues involved. Member Senn voiced strong concern that the project, while having community support, should have more fully addressed anticipated future annual operating costs, and that without this information, future assessment levels are at risk. He recommended again (as it had been voiced earlier in previous FaRM meetings) that the Board and Staff should develop more detailed estimated operating cost projections, to the extent data can be captured, and that such information should be central to any final Board decision on a proposed project and that no project should be approved without such operating cost estimates.

**E. Circle Mountain Ranch**

Chairperson Hiron and CFO Greenstein updated FaRM on the progress of Pulte/Lennar in building Circle Mountain Ranch. Approximately 70 homes have been closed to-date, and the project is on track for a closeout and turnover in mid-2021. CFO Greenstein advised that the ACC was working with Pulte to develop a reimbursement formula for offsetting landscaping costs against assessments collected.

**F. Resales**

CFO Greenstein updated FaRM on the Resale revenues for 2018 YTD and advised that revenues will approach \$800,000 in 2018. FaRM discussed the impact of resellers such as OpenDoor on this revenue stream, as it essentially “doubles” the Enhancement Fees earned on each property.

**G. October Financials**

All FaRM members were generally pleased with the financial results and that overall, the ACC is operating favorable to budget. Concern centered on results for the Community Center as to the continuing decline in overall revenues and what the implications of that decline would mean on resident services, staffing levels, and related out-of-pocket expenses.

**H. 2019 Budget**

CFO Greenstein updated FaRM on the approved 2019 Budget which does not call for any assessment increases, but concurrently advised that the ACC Staff anticipates an assessment increase in the 2020 or 2021 Budget as a result of escalating costs, particularly in janitorial, landscaping, benefits, and compensation (AZ Prop 206). Greenstein also advised that the anticipated Paseo Reserve Study would most likely result in a series of annual increases within the Paseo Benefitted Assessment that is paid to the ACC and which covers landscaping, R&M and other common area costs which are specific to the Paseo community.

**I. Business Insurances**

FaRM members discussed the upcoming Insurance RFP which will be issued in January to select a broker for the policy renewals in May. CFO Greenstein advised that members of FaRM are invited to sit on the ad-hoc Insurance Committee and participate in broker interviews and selection. Greenstein advised that he was waiting to hear if Parkside and CountryClub would again participate in a joint RFP for insurance coverages, which would save all parties some premium dollars through a consolidation. Greenstein advised that he would send out a draft of the RFP in November for FaRM comment and review.

**J. 2019 Work Plan**

Chairperson Hiron led a discussion on the 2019 FaRM Work Plan with all members with the objective of reaching agreement upon 2019 meeting dates and times. The final Work Plan will be presented to the ACC Board at their January Open Board Meeting.

**OLD BUSINESS**

- **NONE**

**ADJOURNMENT**

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

Respectfully Submitted,  
Douglas Greenstein