

anthem community council

Meeting of the Board of Directors
February 22, 2017
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
Rick Kesselman – Director
Terry Mullarkey – Director
**Arrived at 6:48 p.m.*

Members Absent:

Tim Fyke

Others Present:

Jenna Kohl, Community Executive Officer
Neal Shearer, Community Operations Officer
Doug Greenstein, Community Finance Officer
Michele DeMichele, Special Events & ACB Operations Director
James Metcalf, Parks and Facilities Director
Kristi Northcutt, Communications Director
Kevin Shaffer, Community Center Director
Tony Smith, Business Services & Commercial Code Specialist
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 6:37 p.m.

ESTABLISH QUORUM

President Halleran established a Quorum with five Board members present.

ADOPT AGENDA

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

PRESENTATION/AWARDS/ANNOUNCEMENTS

A. Anthem Youth Advisory Council (AYAC) Announcements

Luke Kollings and Izzy Hoffman updated the Board on the current AYAC projects. AYAC is focusing on new ideas, which include a graffiti prevention contest allowing Anthem youth the opportunity to design their own poster which will hopefully inspire Anthem youth to stop vandalizing. The vandalism poster contest is open to Anthem students in grades K-12, and the deadline to submit posters is Sunday, March 27, 2017. Posters can be dropped off to AYAC/ACC's booth at Anthem Days or at the Civic Building welcome desk. The first-place winner will be featured in the Anthem Resource Guide and AYAC is working on 2nd and 3rd place prizes. AYAC will also have their own booth at Anthem Days in March, serving trail mix to those who attend. This will give AYAC a chance to discuss what AYAC is and what they do, and share information about recruitment.

President Halleran, AYAC advisor, stated AYAC has been working on the vandalism project for over a year and they have done a fantastic job. Director Kesselman stated the flyer looked great.

STAFF REPORT

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

- March 1: Art in Public Places Reception, 5-7 p.m., Civic Building
- March 22: ACC Board of Directors meeting, 6:30 p.m., Civic Building

Open Session Minutes
February 22, 2017

- Staff is pleased to announce the following appointments: Sheryl Brown as the HR Manager; Dawn Dworak as Management Analyst; Brandon Haile, promoted to Lead Technician in the Parks & Facilities Department; and Jennifer Huddleston, promoted to Administrative Assistant at the Community Center.
- Staff has been attending the hearing in the wastewater rate case before the Arizona Corporation Commission, along with Utilities Panel Chair Willis.
- Staff and the CPDC have been busy with the presentation phase of the Master Plan project and posting proposals on the website for community review and comment.
- Verizon Wireless submitted a special use permit application to Maricopa County for a cell tower at the EPCOR water treatment plant on Gavilan Peak Parkway. The proposed location is within the existing EPCOR fence on the Gavilan Peak Parkway (east) side of the property. The proposed tower will be 60' tall with a 15' array at the top. The deed restriction on this parcel expired in 2012, leaving the ACC with no jurisdiction over the property.
- March 17: Voting closes for ACC and HOA Board elections. No campaigning is allowed at ACC facilities, and no defacing ACC property is permitted (i.e. no campaign materials stuck on mailboxes).
- Website Redesign: The first set of proofs for the new website has been received. Staff is reviewing the designs and contracts in advance of the second meeting with the design team.
- Business Roundtable: The Business Roundtable is March 1 at the Civic Building, with the topic "Make Great Social Media Your 'Goal'." The keynote speaker will be Marissa O'Connor, Social Media Manager for the Arizona Coyotes. The event begins at 7:30 a.m. with breakfast; speaker follows at 8 a.m.
- Community Center is buzzing with registration for Youth Spring Rec Leagues, Krav Maga, lifeguard classes, and Summer Camp, which is experiencing record early enrollment.
- Anthem Civic Building programs include Jewelry Making, Meditation, Anthem Mind Quest, Senior Cinema, AARP Tax Services and a Red Cross Blood Drive.
- Re-sodding of Soccer Fields 1 & 2 is complete; re-sodding of Soccer Fields 3 & 4 is underway.
- More than 900 tons of granite are being installed in the following locations: Anthem Way, from Liberty Bell Way to N. Anthem Ridge Drive (north side of the road); and from Liberty Bell Way (at Meridian) to Daisy Mountain Drive (median only).
- March 4: High Desert Little League Opening Day Ceremonies will take place in Community Park.
- March 4: Music in the Park will take place from 4-6 p.m. in the Amphitheater, hosted by Church of Jesus Christ of Latter-Day Saints. Open to the public; light refreshments.
- March 11: Anthem roadways will be busy with runners and bicyclists in the early morning hours from two different races. Please use caution while out and about, especially while entering or exiting the Community Center. The Daisy Mountain Half Marathon/Emma's Run, hosted by 4 Peaks Racing, will begin and end at Boulder Creek High School (7 a.m.-10 a.m.). Ragnar Del Sol is a 200-mile relay race starting in Wickenburg and ending in Fountain Hills. They have an exchange point in Anthem between midnight and 10 a.m. that will take place at Anthem School, adjacent to the Community Center parking lot.
- March 25-26: Anthem Days. Thank you to the community for the strong sponsorship support this year! Exhibitor registrations are still coming in and will be accepted through March 3. New this year will be pony rides and a petting zoo on Sunday. Legends Bar & Grill is sponsoring the Salsa Contest, with a donation of chips and prizes. OSR Physical Therapy is hosting the multi-sport challenges again on Saturday with great prizes. CCV is hosting the egg hunt again; new this year is a specialized egg hunt for the special needs population, at 10:15 a.m. on Sunday.
- April 8: Daisy Mountain Veterans will be hosting a ceremony at the Anthem Veterans Memorial from 10 a.m.-noon.
- April 22: Go Green will take place at Community Park from 8 a.m.-noon.
- May: Music in May is on the calendar, and we're accepting sponsorships until April 3. Bands are secured, with a great line up, for every Friday night. Food trucks are booked for the first Friday to launch the series.
- Freddy's Steakburger is open for business.

FINANCIAL REPORT

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

- Anthem Community Council financial performance for the month of January 2017 was favorable against budget and even with January 2016 actual results.
- Net of cash balances due to our HOA partners, the ACC has \$3.2 million in operating cash.
- Our adjusted Reserve Fund balances at \$14.2 million continue to remain in excess of 112% fully funded against our 2013 independent Reserve Study. Planned expenditures for 2017 are \$2.1 million against planned contributions of \$2.07 million.
- Our Enhancement Fund balances ended January at \$1.1 million as a result of a strong January home resales market. Presuming that resales remain on budget through 2017, the preliminary end-of-year estimate for the Fund is \$1.6 million.
- Collections and Accounts Receivable balances continue to trend positively. As of the close of January, total community open receivables are at \$1.43 million, which is \$370,000 below January 2016 and \$540,000 below January of 2015.
- Net revenues ended January level with budget and level with both January 2016 and January 2015 net revenues.
- Overall utilities costs are \$23,000 favorable against budget and \$7,000 favorable against 2016 and \$27,000 favorable against January 2015 results.
- After factoring in timing differences, Repairs & Maintenance costs are level with the 2017 budget and \$5,000 above January 2016 expenditures.
- Net of certain fees which will be rebilled to third-parties, Professional Fees were \$8,000 below budget, and level with January 2016 and January 2015 expenditures.
- Resulting from successful January collections activities, financial costs were \$25,000 favorable against budget, and were \$15,000 below January 2016 outlays.
- Despite the impact of Arizona Proposition 206 and recent US Dept of Labor changes to compensation issues, Administrative costs were \$16,000 below 2017 budget estimates, and were also \$20,000 below January 2016 levels and \$12,000 below January 2015 levels.
- The ACC's monthly financial package has been upgraded to provide additional historical Balance Sheet information, additional graphs of operating and cost trends and summary variance reporting. As always, our full disclosure financial statements are posted to the OnlineAtAnthem website as part of the documents supporting this open meeting. We encourage all property owners to take the time to become familiar with our financial standing and results. Please send us your questions at Accounting@AnthemCouncil.com.

Director Mullarkey inquired when the next investment review would be, and Mr. Greenstein stated in mid-summer of 2017.

OPEN DISCUSSION:

Donald Madson, resident, stated his concerns over speeders on Anthem roadways, and President Halleran stated all residents should state their concerns directly to MCSO or the City of Phoenix. Ms. Kohl stated residents could also attend the Public Safety Roundtable meetings; the next one is March 7, 2017 at 2 p.m. at the Anthem Civic Building. Ms. Kohl stated that having specific incidents/examples will be very useful and that the ACC works with Maricopa County Department of Transportation (MCDOT) on the timing of lights and site triangle studies.

Ron Jerich, resident, expressed his concerns on traffic issues also and stated he would like to see bigger rooms used when Police Chief Jeri Williams (March 10) and Sheriff Paul Penzone (April 14) come to Anthem to talk to residents at the Representative Town Hall meetings. President Halleran stated residents with traffic and safety concerns should attend the various meetings with their specific examples to get their voices heard.

Ron Jerich, resident, inquired about the parking issues on Triumph Court, and Secretary Balzer stated the food truck is gone, landscape trucks are gone during day and other trucks have tags on them. Ms. Northcutt stated at the Town Hall meeting a few weeks ago, the Chief of Staff of Maricopa County spoke regarding this issue and she indicated she would speak to MCDOT and MCSO; Ms. Northcutt will follow-up with her on this issue.

APPROVAL OF MEETING MINUTES

Treasurer McKenzie made a motion to approve the minutes from the January 12, 2017 Special Session, January 25, 2017 Special Session and January 25, 2017 Regular Meeting. Vice President Willis seconded. Voting took place; the motion passed unanimously.

CONSENT AGENDA/ACCEPT COMMITTEE REPORTS:

A. Accept Committee Reports

- 1) Community Planning and Development Committee
 - a. February 7, 2017 Meeting Minutes
- 2) Fiscal Resource and Management Committee
 - a. January 18, 2017 Meeting minutes
- 3) Economic Development Committee
 - a. January 4, 2017 Meeting Minutes
 - b. February 1, 2017 Meeting Minutes

Treasurer McKenzie made a motion to approve the CPDC minutes from February 7, 2017 and the FaRM minutes from January 18, 2017 and the EDC minutes from January 4, 2017 and February 1, 2017. 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. Fiscal and Resource Management Committee

- 1) Consider Committee Member Appointment

Ms. Kohl stated the Chair of FaRM, Mr. Greenstein, and President Halleran recommend the Board appoint Ms. Lynne Kirkman to the Fiscal Resource and Management Committee. FaRM and President Halleran have interviewed Ms. Kirkman, and Mr. Greenstein strongly agreed that Ms. Kirkman is well qualified.

Treasurer McKenzie made a motion to appoint Lynne Kirkman to ACC Fiscal Resource and Management Committee with a term of February 22, 2017 to June 30, 2018. Vice President Willis seconded. Voting took place; the motion passed unanimously.

OLD BUSINESS

A. Consider Community Center Renovation Project Proposal

Mr. Shearer introduced the project and Mr. Kelly, the architect, and said that renovating the Community Center is not a new concept—that the need for the space study was discussed in 2015 and funds were budgeted for the study in 2016. He added that tonight's presentation was the fourth time this study was discussed at a Board meeting since last August. Mr. Shearer noted that while future decisions would need to be made regarding funding priorities and project timing, staff felt strongly that the renovation needs to happen at some point, that it should be proceed as a single-phase project and that if approved, no disruption or construction to the Community Center could occur during the busy summer season from May through August. Mr. Shaffer, Community Center Director, presented five slides that outlined the proposed renovations to the second floor fitness area and first floor front desk/administrative area and costs associated with the renovations.

Vice President Willis inquired if there is any financial benefit to doing the first or second floor first. Mr. Kelly stated it would cost more to do the project in phases.

Treasurer McKenzie stated this is desperately needed, as the working conditions are miserable for Community Center staff, and inquired about funding and the timeline. Mr. Shearer stated tonight's objective was to demonstrate how this could be funded via the Enhancement and Reserve funds and mentioned to keep in mind that we have four Master Plan projects in the queue going through a review process that will come to the Board in May for Enhancement Fund funding consideration. As to timing, Mr. Shearer stated if the Board approved the

project tonight, we would spend approximately five to six months going through detailed design, plan review, permitting and the construction bid process and could start construction later this year.

Director Mullarkey inquired why this wasn't included in the same batch as the proposed Master Plan projects, which were presented to the Community Planning and Development Committee, when they are coming from the same funds. Director Mullarkey also inquired about the design and permitting timeline along with financial impact. Mr. Shearer stated that the report provides a Gantt chart to show the project schedule along with all costs associated with the project and funding sources. Mr. Shearer stated that the costs are just estimates and we won't have solid numbers until we get the construction bids back. Mr. Shearer also stated that the Master Plan projects are behind this project in terms of time sequence and that in May the Board will receive an initial report and could prioritize all projects at that time. Director Mullarkey inquired if we can move forward with the design and then let the Master Plan projects catch up then look at all the enhancement fund projects in terms of priorities. Mr. Shearer stated that would work fine. Ms. Kohl stated staff is spending \$4-5,000 for concept plans for the Master Plan projects that will serve as the basis for developing project cost estimates. The Board will then have some preliminary cost estimates to consider in setting project priorities after they receive the report on Master Plan projects in May.

Dino Cotton, resident, stated he thought the estimated design, plan review and permitting costs were high and asked how they got to those numbers. Mr. Kelly stated the fees were estimated at 14% of the total construction costs including contingency, and it includes all of the engineering work.

Ron Jerich, resident, inquired about the Enhancement Fund and design considerations, and President Halleran stated that Enhancement Funds are appropriately used to enhance existing amenities.

Secretary Balzer stated his concern about the consulting costs that were spent on the previous Master Plan process and hoped we don't repeat that. Mr. Shearer said that during the last process, concept designs and cost estimates were developed for six projects by contracted firms, as authorized by the Board. The reason that more projects didn't move forward was because the Board identified Opportunity Way Park as the top priority and there was not funding capacity for other projects. For this year's process, we are getting outside help to do some basic concept designs on a limited number of projects and we will be doing most of the cost estimating in house with staff and the Fiscal and Resource Management Committee and funding for outside support will be kept to a minimum.

Treasurer McKenzie made a motion to approve moving forward with the design, plan review and permitting process for the Community Center enhancements as proposed for a price not to exceed \$85,000 dollars. Vice President Willis seconded. Voting took place; the motion passed unanimously.

B. Consider Amending Non-Residential Community Center Membership Policy

Mr. Shearer stated a request came forward at the last Board meeting to change the non-residential property owner (NRPO) membership from individual to family. As a result, staff recommends that the Board modify the Community Center membership privileges for non-residential property owners to allow up to two memberships for each NRPO, which may be an individual membership or family membership. Currently, there are a total of nine active NRPO memberships from among the 149 non-residential properties that the ACC invoices for assessments. Based on the very low number of active NRPO memberships since 2013, allowing NRPO memberships to include families would appear to be a reasonable change that could be accommodated without unduly impacting the Community Center.

Treasurer McKenzie made a motion to approve modifying the Community Center membership privileges for non-residential property owners to allow up to two memberships for each NRPO which may be an individual membership or family membership. Vice President Willis seconded. Voting took place; the motion passed with 4 Ayes (Halleran, Willis, McKenzie, Balzer, Mullarkey) and 1 Nay (Kesselman).

C. Consider Approval of Resolution 2017-R-03, Amending Section 5.2.8 of the Board Policy Manual, Weapons and Drug Policy

Mr. Shearer stated this proposed amendment would make the ACC's policy consistent with State Law by permitting the storing of a firearm in a person's locked and privately owned motor vehicle or in a locked compartment on a person's privately owned motorcycle, so long as the firearm is not visible from the outside of the motor vehicle or motorcycle on ACC property.

Mr. Shearer stated that this resolution also clarifies that Certified Peace Officers are exempt from the Board's prohibition to carry a firearm on ACC property whether on or off duty, and it clarifies exemption requirements for members of the Maricopa County Sheriff's North Valley Posse and other Posse members assisting the North Valley Posse. The Posse member needs to be uniformed, on duty and performing services on behalf of the ACC and consistent with our contract, which provides some indemnification protection in the event there is a liability issue. The Posse member must also be authorized by the County Sheriff's office to carry firearms, and must go through firearms training approved by the Arizona Peace Officers Standards and Training Board.

This resolution also adds and defines "air pistols/rifles" as a prohibited weapon, pursuant to Exhibit A.

Director Mullarkey inquired if we use the Arizona Rangers, and Mr. Shearer stated we have no contractual relationship with them.

Treasurer McKenzie made a motion to approve Resolution 2017-R-03, Amending Section 5.2.8 of the Board Policy Manual, Weapons and Drug Policy. Director Mullarkey seconded. Voting took place; the motion passed unanimously.

NEW BUSINESS

A. Consider Amendment to the Anthem Community Council Non-Residential Architectural Design Guidelines

Ms. Kohl stated staff was informed by the City of Phoenix planning department that the City was using the original Commerce Park Comprehensive Sign Plan for plan review of Commerce Park (CP) signage. Phoenix does not recognize the ACC guidelines signage Section 7 as the governing document for signage review in CP. Ms. Kohl stated staff filed for a major zoning amendment to signage in CP, requesting that the City adopt the ACC guidelines for use in conjunction with the Section 705. After review of the ACC guidelines, the City requested minor revisions for coordination with Section 705. Phoenix does permit some of the types of signage allowed by Anthem, making coordination/revision of the ACC document necessary.

Director Mullarkey inquired if anyone is out of compliance now, and Mr. Smith stated no.

Treasurer McKenzie made a motion to approve the proposed revisions to the ACC Non-Residential Architectural Design Guidelines as required to coordinate with the City of Phoenix, Section 705 Zoning Ordinance for signs. Vice President Willis seconded. Voting took place; the motion passed unanimously.

There being no further business to discuss, the meeting adjourned at 8:10 p.m.

Respectfully Submitted,

Kim Bodary

On Behalf of the Anthem Community Council Board of Directors