

anthem community council

Meeting of the Board of Directors
March 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
Tim Fyke, Director

Members Absent:

None

Others Present:

Jenna Kohl, Community Executive Officer
Neal Shearer, Community Operations Officer
Doug Greenstein, Community Finance Officer
James Metcalf, Parks and Facilities Director
Kristi Northcutt, Communications Director
Kevin Shaffer, Community Center Director
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 6:30 p.m.

ESTABLISH QUORUM

President Halleran established a Quorum with seven Board members present.

ADOPT AGENDA

Treasurer McKenzie made a motion to adopt the agenda with revisions and requested item 4A, Anthem Youth Advisory Council Announcements, be removed. Director Fyke seconded. Voting took place; the motion passed unanimously.

PRESENTATION/AWARDS/ANNOUNCEMENTS

ACC and HOA Election Results:

- Holly Matson and Joy Lovell were re-elected to the ACCCA Board of Directors.
- Roger Willis was re-elected to represent ACCCA on the Anthem Community Council Board; he will serve another three-year term.
- Anthem Parkside Community Association (APCA) Voting: The two candidates who received the most votes and will serve a two-year term on the APCA Board are Sharilyn Miller and Tim Fyke.
- Dino Cotton was elected as the Parkside representative on the ACC Board of Directors. He will serve a three-year term and will be seated at the April 26, 2017 ACC Board meeting.

STAFF REPORT

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

- Wastewater Rate Case: The CEO and Utilities Panel Chair Roger Willis attended the hearing in February and drafted a summary brief that will be filed with the Arizona Corporation Commission. Once all of the interveners' briefs are reviewed, we may submit a reply brief (due by March 31). After that, the

Administrative Law Judge will write her Recommended Opinion and Order (ROO); date to be determined. The Commissioners will convene a public meeting to discuss the ROO and will render a decision.

- Reclaimed Water Permit Renewal: When Anthem was developed, the ACC was set up as the holder of the Reclaimed Water Agent General Permit that allows the ACC, Parkside, Country Club and ClubCorp to receive inexpensive, A+ quality effluent from EPCOR for irrigation purposes; the use of which saves tens of thousands of dollars a year. ACC staff recently prepared a comprehensive 5-year permit renewal application and submitted it to the Arizona Department of Environmental Quality 90 days in advance of the permit renewal date.
- Public Safety Roundtable: The most recent roundtable, which brings together representatives from the various public safety agencies that serve Anthem, was held on March 7. The following topics were discussed:
 - Traci Ruth, Division Manager in the Strategic Communications and Outreach Division for MCDOT announced that MCDOT is conducting traffic counts at the Gavilan Peak Parkway and Daisy Mountain Drive intersection to see if a change to the signal to a protected left turn is warranted. She encouraged residents to report their concerns related to Maricopa County roadways to the County. MCDOT will install “no parking” signs along one side of Triumph Court. A microseal project is taking place on Anthem roadways; temporary striping, with permanent striping to be installed a month after microsealing is complete.
 - Sheriff Penzone will speak at the April 14 Representative Town Hall at the Civic Building, beginning at 9 a.m.
 - Daisy Mountain Fire District reported that Black Canyon City’s Board officially voted to request to consolidate with DMFD; the DMFD Board has also voted in support, so they are moving forward with the consolidation. The groundbreaking for the administration building at the station on Daisy Mountain Drive took place on March 16.
- Park Signs Project: Most of the signs for Community Park and Liberty Bell Park have been delivered; staff is working with Parks and Facilities to arrange installation.
- Business Roundtable: The Business Roundtable was held March 1 at the Civic Building, with the topic “Make Great Social Media Your ‘Goal’.” The keynote speaker was Marissa O’Connor, Social Media Manager for the Arizona Coyotes. More than 60 were in attendance, with positive feedback received from all who attended.
- March 25-26: Anthem Days will have the highest number of exhibitors in 10 years! Thank you to the community for such strong support! Special recognition to sponsors: ProSkill Plumbing (Title Sponsor); BrightView Landscape, State Farm Insurance-Nanette Miller Agency, EPCOR, United Heating & Plumbing, Boates Law Firm, Merrill Gardens and The Enclave (Event Sponsors); Rise Above Remodeling and Crossroads Church (Business Sponsors); Legends Bar & Grill, OSR Physical Therapy and CCV Church (In-kind); and Azteca Pest Control and Merrill Gardens as the winning prize drawing recipients for the Pole Banner Sponsorships from the EDC Business Roundtable.
- April 8: Daisy Mountain Veterans will host a ceremony at the Anthem Veterans Memorial, from 10 a.m.-noon. The ceremony will recognize local veterans who served in the Vietnam War and each will be presented with a 50th Anniversary medal.
- April 22: Go Green/Recycling Event at Community Park, from 8 a.m.-noon. Recycling, shredding, hazardous waste and drug drop-off services are provided.
- May: Music in May. Accepting sponsorships until April 3. Bands are secured, with a great lineup, for every Friday night. Food trucks are booked for the first Friday to launch the series.
- April 26: ACC Board of Directors Meeting, 6:30 p.m., Civic Building

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 February 2017 was favorable against budget and level with February 2016 YTD 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 \$14.4 million continue to remain in excess of 114% 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 \$1.18 million as a result of a strong YTD home resales market. Presuming that resales remain on budget thru 2017, the preliminary end-of-year estimate for the Fund remains at \$1.6 million.
- Collections and Accounts Receivable balances continue to trend positively. As of the close of February, total community open receivables are at \$1.25 million, which is \$330,000 below February 2016 and \$720,000 below February 2015.
- Net revenues ended February level with budget and level with both February 2016 and February 2015 net revenues.
- Overall utilities costs are \$40,000 favorable against budget and \$16,000 favorable against 2016 and \$35,000 favorable against YTD 2015 results.
- After factoring in budget timing differences, Repairs & Maintenance costs are level with the 2017 budget and \$70,000 above YTD 2016 expenditures – as a by-product of advancing granite replacement and sports field replacements ahead of budget.
- Net of certain fees which will be rebilled to third-parties, Professional Fees were level with budget and \$15,000 favorable vs. 2016 YTD.
- Resulting from successful YTD collections activities, financial costs were \$70,000 favorable against budget, and were \$50,000 below 2016 YTD outlays.
- Despite the impact of Arizona Proposition 206 and recent US Dept. of Labor changes to compensation issues, Administrative costs were \$30,000 below 2017 budget estimates, and were level with 2016 YTD and \$14,000 above 2015 YTD results.

OPEN DISCUSSION:

Ron Jerich, resident, inquired of the status of the parking issues at Triumph Court and President Halleran stated we couldn't answer those questions as we have no authority and it's a Maricopa County issue. The "no parking" signs have been installed.

Ron Jerich, resident, asked when the ACC will charge assessment fees to Merrill Gardens and Enclave and where will these fees be deposited. Ms. Kohl responded saying they are paying assessments by the acreage currently and then once occupied, assessments will be similar to Bela Rosa apartments and will be assessed per unit.

Ron Jerich, resident, inquired of the status of the two vans at the Community Center and Mr. Shearer stated one went to Parks & Facilities and the other will be auctioned soon.

Ron Jerich, resident, asked about the status of the firearms and weapons signs on ACC property and Ms. Kohl stated Parks & Facilities would be installing the signs soon.

Ron Jerich, resident, stated there is a dramatic increase in parking in the Community Park parking lots from Boulder Creek High School students, and asked what the ACC is doing about that. Ms. Kohl stated we are aware of the issue, but are letting it be for now and will evaluate prior to next school year.

APPROVAL OF MEETING MINUTES

Treasurer McKenzie made a motion to approve the minutes from the February 22, 2017 Regular Meeting. Director Fyke seconded. Voting took place; the motion passed unanimously.

CONSENT AGENDA/ACCEPT COMMITTEE REPORTS:

A. Accept Committee Reports

- 1) Fiscal Resource and Management Committee
 - a. March 15, 2017 Meeting Minutes
- 2) Community Planning and Development Committee

a. February 16, 2017 Meeting minutes

Treasurer McKenzie made a motion to approve the FaRM minutes from March 15, 2017 and the CPDC minutes from February 16, 2017. Director Fyke seconded. Voting took place; the motion passed unanimously.

NEW BUSINESS

A. Staff Report on the Proposed Transfer of the ACC Owned Anthem Equestrian Trailhead to the Daisy Mountain Fire District to Facilitate the Renovation of the Desert Hills Fire Station (#145) and Related Improvements to the Trailhead

Mr. Shearer stated this is a report on the proposed transfer of the ACC-owned Anthem Equestrian Trailhead to the Daisy Mountain Fire District (DMFD) to facilitate the total renovation of the Desert Hills Fire Station and related improvements to the Trailhead; and to seek additional Board direction, as needed.

Director Kesselman asked if “equestrian” could be removed from the trailhead sign so people don’t get confused, since the trailhead is open to all; Mr. Shearer stated equestrian is part of the official deed and he would like more Board input. Secretary Balzer stated we should use caution on changing the name as its part of many publications. Director Mullarkey stated we should be able rename the trailhead at any time as we retain the naming rights. *(At a later date, staff clarified that the Deed currently provides that “unless otherwise approved by Grantor, the Property shall be known and referred to as ‘Anthem Trailhead.’”)*

Vice President Willis asked for more clarification on the third bullet of the memo stating, “Protect the ACC’s right to use the Trailhead and approve any improvements to it,” and Mr. Shearer stated that is stated because we need access to the trail in order to continue maintenance. Vice President Willis inquired if there will be public restrooms and if not, will DMFD allow use of the restrooms in the building during on and off business hours.

Director Kesselman inquired if it wasn’t too late, could we add language that in the future we can hook up to their water for future restrooms and President Halleran stated with an agreement already in place, it’s too late to do significant changes.

B. Consider Authorizing Staff to Waive the RFP Process and Negotiate and Execute a Design and Engineering Services Agreement with Michael Wilson Kelly – Architects, for the Community Center Renovation Project, for a Not to Exceed Cost of \$85,000, Including Professional Fees, Plan Review and Permits.

Mr. Shearer stated the ACC is requesting the Board authorize staff to waive the RFP process and negotiate and execute a design and engineering services agreement with Michael Wilson Kelly – Architects, for the Community Center renovation project, for a not-to-exceed cost of \$85,000, including professional fees, plan review and permits.

Director Mullarkey inquired about the costs and stated he feels we should go through the RFP process on this project. Mr. Shearer explained that we did conduct an RFP process to select the architect to do the design, and this is to some extent an extension to that contract. Mr. Shearer reviewed the six component parts of the estimated \$85,000 breakdown, which are:

- \$36,000 for Design Work
- \$3,600 for Bidding Support from Mr. Kelly
- \$17,500 for Engineering Costs
- \$6,000 for County Plan and Review Permits
- \$2,000 for Allowable and Personable Expenses
- \$12,650 for Professional Fees

Mr. Shearer stated this falls just under \$78,000, and we may not spend it all.

Mr. Fyke stated we've gone through RFP processes before; it's very taxing on staff and requires a lot of time, so please keep that in mind when considering this request.

Director Kesselman stated he appreciates all the time and effort involved with the RFP process and expressed his support for waiving the RFP process due to Mr. Kelly's work so far on the Community Center.

Vice President Willis stated that Mr. Kelly is qualified and has proven his qualifications; therefore, he supports this extension.

Secretary Balzer inquired if the \$78,000 is the final cost; Mr. Shearer stated we have the approval for \$85,000 but don't plan on going above the \$78,000 unless for unexpected costs.

Treasurer McKenzie stated he agreed with Vice President Willis and Director Kesselman.

Director Fyke made a motion to approve staff to waive the RFP process and negotiate and execute a design and engineering services agreement with Michael Wilson Kelly - Architects, for the Community Center renovation project, for a not to exceed cost of \$85,000, including professional fees, plan review and permits. Treasurer McKenzie seconded. Voting took place; the motion passed with 6 Ayes (Halleran, Willis, Balzer, McKenzie, Kesselman, Fyke) and 1 Nay (Mullarkey).

There being no further business to discuss, the meeting adjourned at 7:30 p.m.

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