



Meeting of the Board of Directors  
May 27, 2020  
Remote Meeting

6:30 p.m.  
Open Session

This meeting will be conducted remotely to comply with social distancing and group size limitations pursuant to CDC guidelines regarding COVID-19. Join this meeting through the following Zoom link: <https://us02web.zoom.us/j/89592335957>

*The Board of Directors will be meeting in executive (closed) session starting at 5:15 p.m. pursuant to A.R.S. Section 33-1804 (A) (1) & (4).*

### **ANNOTATED AGENDA**

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ESTABLISH QUORUM**
4. **ADOPT AGENDA**
5. **APPROVE MEETING MINUTES**
  - A. April 29, 2020 Open Session Board Minutes **Approved**
6. **PRESENTATIONS/AWARDS/ANNOUNCEMENTS**
  - A. Introduction of John C. Bowman, Community Executive Officer Appointee
7. **STAFF REPORTS/FINANCIALS**
8. **CLOSED SESSION REPORT**
9. **OPEN DISCUSSION**

(Persons interested in providing comments to the Board should complete the comment form and email to [nmeyer@anthemcouncil.com](mailto:nmeyer@anthemcouncil.com) by Noon on May 27, 2020.)
10. **CONSENT AGENDA/APPROVAL**

All items listed under Consent Agenda are considered to be routine by the Board and may be approved/accepted by one motion with a voice vote.

  - A. Consider Adoption of Resolution 2020-R-01 to Rename the Fiscal and Resource Management Committee the Finance Committee and Designate the ACC Treasurer as the Chair of the Finance Committee. **Approved**
  - B. Consider Finance Committee Reappointments and Appointment **Approved**
11. **DISCUSS/ACT ON ANY ITEMS REMOVED FROM CONSENT AGENDA**
12. **ADJOURNMENT**

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## COMMUNICATION BRIEFING

May 27, 2020

### **MARK YOUR CALENDARS**

**May 25:** Memorial Day; no formal ceremony; residents may visit the AVM throughout the day

**June 1:** Anthem Civic Building reopens (some staff will continue remote work; new public health guidelines in place for building usage as noted below)

**June 4:** Village Board of Directors meeting, 6 p.m.

**June 18:** Parkside Board of Directors meeting, 6 p.m.

**June 24:** ACC Board of Directors meeting, 6:30 p.m.

*Please visit [OnlineAtAnthem.com](http://OnlineAtAnthem.com) for a full list of events/reopening information.*

### **EXECUTIVE TEAM OUTREACH AND GENERAL INFORMATION**

The CEO, COO and CFO have devoted considerable time to COVID-19 related issues, including overseeing phased-in facility reopening strategies and Board communications, implementation of facility safeguards to protect residents and employees, employee communications and return-to-work policies and training, and review and approval of public communications. Additional administrative activities have focused on finalizing insurance policies, numerous landscape projects, dog park warranty work, service contract issues, legal issues and resident inquiries.

### **COMMUNICATIONS & PUBLIC AFFAIRS**

*The Anthem Way/Activities Guide:* The first digital-only edition of the guide was posted May 6, and included only The Anthem Way; the Activities Guide was added later, so that the most up-to-date information regarding activities would be included, following the lifting of the stay-home orders and the phased-in reopening plan solidified. The next edition is in July; as a further cost-saving measure and due to evolving timelines, that edition will also be fully digital.

*Representative Town Hall:* The June 12 Town Hall has been canceled. The next event is scheduled for July 10 at 9 a.m., with Heather Macre, director of Central Arizona Water Conservation District. This event is hosted by the ACC and Friends of Daisy Mountain Trails.

*EPCOR Water Rate Case:* Residents east of I-17 have long been affected by the Arizona Corporation Commission's decisions regarding water rates. Currently, EPCOR customers are paying an interim rate for water, the result of an impasse in the 2019 case, during which the goal of consolidation was not reached. The Commission, at the conclusion of the 2019 proceedings, required EPCOR to file a new case in 2020 that included regional consolidation design. As a result of the stay-home order, which prevented EPCOR from conducting meetings to finalize the case filing, the water company asked the Commission for an extension to file the new case, and it was granted. This pushes the filing date from May 1 to June 15, 2020. As always, Anthem will have representation in the case, in order to advocate for lower rates on behalf of residents.

### **COMMUNITY CENTER**

*Aquatics:* Due to reduced occupancy and distancing guidelines, aquatics will reopen with some new procedures. Online registration opened for lap lanes on May 18; the lap pool reopened May

20. Online registration for the water park opened May 21; the water park and open rec swim reopens May 23, along with Liberty Bell Splash Pad.

During the closure, staff resurfaced the lap pool deck rather than outsourcing the project, resulting in a significant cost savings. Staff replaced 40 pool drain sections in the water park, converted the lighting to LED, and painted the water park play structure and giant red bucket to be ready for the summer opening.

*Facilities:* Again, due to reduced occupancy and distancing guidelines, fitness reopened with some new procedures. Online registration opened for the fitness floor on May 18; the gym reopened May 20. Up to 50 residents may be on the floor at any one time; at this time, registration is for one-hour timeslots. Staff sanitizes equipment after each session, during a 90-minute mid-day break, and again at close. Plexiglass barriers have been installed at all customer service counters as added health protection for residents and staff.

*Youth Programs:* It is expected that summer camp could begin June 1, if all gate-keeping requirements to enter Phase 2 are met. Online registration remained open throughout the stay-home order, and continues. Reduced occupancy and physical distancing procedures will be in place, as well as enhanced sanitation protocol. Residents with questions may contact Lindsey at [lcombe@anthemcouncil.com](mailto:lcombe@anthemcouncil.com). Parents' Night Out programs have been canceled for the summer.

*Sports:* League play is expected to resume later this summer. Reservations for sports fields from teams are expected to resume June 8, if gate-keeping criteria for the federal phased-in reopening plan are met. Sports fields have reopened for drop-in use, as long as groups remain small.

### **SPECIAL EVENTS**

*Memorial Day:* On Monday, May 25, the Anthem Veterans Memorial will be “formally dressed.” Beginning at 9 a.m., residents will have an opportunity to visit the memorial on their own to pay private respects to those who made the ultimate sacrifice for their country, or to observe a moment of silent reflection. Flags will surround the memorial, which will remain roped off through noon, when the flags are raised back to full-staff. The POW/MIA table will be set, and roses will be laid on the pavers of each veteran Killed or Missing in Action who is remembered at the memorial.

*July 3 Re-scheduled Event:* Staff has begun preliminary plans for a New Years Eve event, that might include an outdoor concert and food trucks (from Music in May), as well as fireworks held over from July 3. Due to the unfortunate cancelation of previous events in the year as a result of COVID-19, the Special Events team also is working on plans to enhance Autumnfest with additional activities for residents to enjoy.

### **CIVIC BUILDING**

*Reopening:* The Civic Building is scheduled to reopen June 1. ACC and HOA staff continue to work either on-site, or for the most part, remotely. Guidelines are being developed for rentals and meeting rooms with reduced occupancy criteria, etc. Plexiglass barriers have been installed at all customer service counters as added health protection for residents and staff. Residents are encouraged to make appointments for many of their ACC or HOA-related needs. The MCSO substation remains closed to the public, as ordered by the Sheriff.

### **PARKS & FACILITIES**

*General:* During the closure, Community Park lakes were treated for algae, a professional diver inspected the underwater filtration system, and a pump was rebuilt. Repair work was completed in restroom facilities in Community Park. Interior rooms at the Community Center were painted.

Pickleball court surfaces were power washed and warranty projects were completed. DLC Resources installed sod in worn areas on the soccer fields.

*Liberty Bell/Opportunity Way Park:* The playground at OWP reopens May 23. The Liberty Bell splash pad reopens May 23.

*Dog Park:* Warranty work to repair small areas of concrete has been completed; irrigation heads were adjusted and some areas received new sod.

*Community Park:* The Skate Park, hockey rink, outdoor basketball courts, all remaining pickleball courts (by reservation), and sports fields (drop-in) reopened May 16. On May 23, the volleyball courts will reopen, along with Discovery Playground and Daisy Mountain Railroad.

Adventure Playground & Splash Pad remains closed until at least June 1, due to occupancy reduction and sanitation protocol challenges following COVID-19.

The parking lot is scheduled to undergo a Reserve Fund seal coat project in mid- to late June; dates to be determined. Expect to see temporary, short-term parking lot closures to support this project.

*Anthem Veterans Memorial:* After continuous struggles trying to maintain healthy, uniform, and lush-looking shrubs behind the memorial benches, the decision to remove them was made. This approach supports a clean look with the focal point being on the monument and the attractive flower beds and hedging surrounding it, which were installed over the last several weeks in time for Memorial Day. The historical marker also has been replaced.

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## Financial Summary of Operations - 2020 April

### Summary:

- Anthem Community Council's April YTD Financial Results (including depreciation) is a surplus of \$331,717 ahead of 2019 by \$59,510 (behind 2019 by <\$80,000> when considering net reduction of \$140,000 in reserve funding vs. 2019).
- COVID-19 has caused reductions in various revenues: room and field rentals, ramada rentals, sports programs, annual events, etc. We have reduced or delayed expenses while being responsible to the maintenance and welfare of the community.
  
- **Balance Sheet Review:**
  - Our Operating Cash balance, net of cash balances due to our HOA partners and advances for Master Plan Projects is \$4.3 million.
  - Our adjusted Reserve Fund balances are at \$16.9 million, which includes unrealized losses of approx. \$93,000. These losses would only be realized if investments are sold prior to maturity. The 2020 Budget calls for Reserve contributions totaling \$1.8 million, \$150,000 per month, against an anticipated spending of \$1.8 million. The YTD Reserve spend actual is \$306,000.
  - Our Enhancement Fund balances are \$1.5 million. The Enhancement Fund generated \$108,000 in April, and stands at \$329,000 YTD vs. an annual budget of \$750,000. This is the second highest \$ total in the last five years with 108 closings.
  - All funds are currently invested in various portfolio vehicles in accordance with the ACC Investment Policy.
  - Total Collections and Accounts Receivable balances, as of April 30, 2020 and April 30, 2019 are \$625,856 and \$591,177 respectively, with a reserve of \$428,000.
  
- **YTD Income Statement Review:**
  - April YTD Revenues were \$84,000 ahead of 2019 - net of Reserve contributions; 2019 contributions YTD were \$140,000 more than 2020, so real variance is <\$56,000>
  - April YTD Operating Costs were \$34,000 less than 2019.
  - April YTD Operating Surplus was \$656,000, ahead of 2019 by \$122,000 (before depreciation and taxes).
  - April YTD Net Book Surplus, including Depreciation, actual net Enhancement (\$322,000) and net Reserve spend (\$335,000, including Interest and Un-Realized Gains or Losses) is \$988,000, above 2019 by \$51,000.
  
- As always, our full disclosure financial statements are posted at *OnlineAtAnthem.com* 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*.



Anthem Community Council, Inc

As of 4/30/2020

Balance Sheet Comparison Report

Assets	4/30/20	4/30/19
Operating Cash	\$ 4,303,088	\$ 5,521,498
Reserve Fund	\$ 16,945,043	\$ 16,317,924
Enhancement Fund	\$ 1,500,494	\$ 1,163,595
Receivables - ACC	\$ 625,856	\$ 590,665
Receivables - Other	\$ 65,725	\$ 43,783
Receivables - Allowance	\$ (428,412)	\$ (387,735)
Other Current Assets	\$ 99,792	\$ 91,892
Net Fixed Assets	\$ 16,950,086	\$ 15,912,813
<b>Total Assets</b>	<b>\$ 40,061,672</b>	<b>\$ 39,254,435</b>

  

Liabilities and Equity	4/30/20	4/30/19
Trade & Supplier Payables	\$ 337,313	\$ 257,662
Payroll & Benefits	\$ 166,868	\$ 250,118
Prepaid Assessments	\$ 449,793	\$ 319,723
Deferred Assessments	\$ 1,020,750	\$ 1,259,235
Other Current	\$ 29,482	\$ 192,026
Funds Due HOAs	\$ 174,101	\$ 627,095
Retained Equity	\$ 36,894,730	\$ 35,411,270
Current Year Surplus	\$ 988,635	\$ 937,306
	<b>\$ 40,061,672</b>	<b>\$ 39,254,435</b>

Profit and Loss Summary

	4/30/20	4/30/19
Assessments	\$ 3,184,984	\$ 3,016,729
Community Center	\$ 155,894	\$ 232,095
Other Revenues (Net)	\$ 283,381	\$ 431,201
Enhancement Fund	\$ 329,627	\$ 279,393
Transfer to Enhancement Fund	\$ (329,627)	\$ (279,393)
Transfer to Reserve Fund	\$ (600,000)	\$ (740,000)
<b>TOTAL REVENUES</b>	<b>\$ 3,024,259</b>	<b>\$ 2,940,025</b>
Direct Programs Cost	\$ 197,463	\$ 245,712
Community Involvement	\$ 45,322	\$ 58,442
Utilities	\$ 218,789	\$ 240,371
Professional Fees	\$ 73,880	\$ 79,060
Financial Costs	\$ 87,683	\$ 33,592
Insurances	\$ 84,842	\$ 81,559
Security Costs	\$ 73,467	\$ 57,520
Human Resources	\$ 33,812	\$ 30,611
Repairs & Maintenance	\$ 136,894	\$ 195,759
Landscaping	\$ 396,000	\$ 371,264
Contract Services	\$ 178,681	\$ 160,910
General & Administrative	\$ 72,646	\$ 79,145
Compensation - Comm Ctr/Admin	\$ 575,807	\$ 560,981
Compensation - Facilities	\$ 235,242	\$ 235,754
Depreciation	\$ 316,311	\$ 253,565
All Other Expenses	\$ 8,267	\$ 8,267
Interest/Investment <gain> loss	\$ (42,564)	\$ (24,696)
<b>TOTAL EXPENSES</b>	<b>\$ 2,692,542</b>	<b>\$ 2,667,816</b>
<b>OPERATING SURPLUS</b>	<b>\$ 331,717</b>	<b>\$ 272,209</b>
<b>RESERVE SURPLUS</b>	<b>\$ 334,672</b>	<b>\$ 601,049</b>
<b>ENHANCEMENT SURPLUS</b>	<b>\$ 322,246</b>	<b>\$ 64,048</b>
<b>TOTAL SURPLUS (DEFICIT)</b>	<b>\$ 988,635</b>	<b>\$ 937,306</b>

Accounts Receivable

TOTAL ANTHEM A/R	# Due	TOTAL	Due Now	31 - 60	61 - 90	91 -180
Country Club	421	139,005	71,683	3,088	3,988	60,247
ACC	1343	625,457	237,787	7,489	7,769	372,412
Parkside	1669	620,764	80,603	35,741	40,620	463,800
Villages	28	25,406	15,350	100	175	9,782
<b>TOTAL</b>		<b>1,410,632</b>	<b>405,423</b>	<b>46,418</b>	<b>52,551</b>	<b>906,240</b>
			28.7%	3.3%	3.7%	64.2%

  

TOTAL ANTHEM A/R	TOTAL DUE	TYPE OF OPEN RECEIVABLE			
		Assessment	Legal/Late	CC&Rs	Other
Country Club	139,005	102,450	8,097	25,782	2,676
ACC	625,457	392,646	217,948		14,863
Parkside	620,764	106,994	73,948	439,278	544
Villages	25,406	22,156	-	2,500	750
<b>TOTAL</b>	<b>1,410,632</b>	<b>624,247</b>	<b>299,992</b>	<b>467,560</b>	<b>18,833</b>

**Public Comment Guidelines**  
**Anthem Community Council, Inc.**  
**Anthem Community Council Remote Board Meetings**  
**Guidelines for Resident Question/Comment**



The Anthem Community Council embraces and supports transparency with open discussion and public comment. There are several opportunities for public comment. The “Open Discussion” portion of the Board agenda provides an opportunity for residents to bring to the attention of the Board of Directors matters concerning the Anthem Community Council that are not on the evening agenda. The public also may speak on a specific agenda item when called upon by the President.

Residents’ Code of Conduct for Council Meetings Held Remotely

- Residents must maintain decorum, and will remain muted upon entry to the remote/virtual meeting.
- Residents will not appear on video, only by audio.
- Residents must not interrupt anyone who validly has the floor or otherwise disrupt the meeting.
- Residents who have requested to speak will be unmuted at the appropriate time in the meeting. Once welcomed, please state your name and whether you are a Parkside, Country Club or Village resident.
- When speaking, residents will have three minutes to state their questions/comments. The Board President may grant additional time at his/her discretion.
- Residents must refrain from engaging in personal oral attacks on Board members, other residents, staff, guest speakers or vendors.
- Residents must refrain from using other residents’ names when speaking and must address all remarks to the Board President.
- Residents may not speak more than twice on any issue, subject to the discretion of the President.
- Residents must obey all orders made by President, including an order to step down/cease discussion.
- Residents must at all times behave with common courtesy and civility, and refrain from the use of abusive, rude, threatening or crude language.

**Resident Question/Comment**

If you wish to speak or submit a question/comment, complete and submit this form to Nancy Meyer, recording secretary, via email to [nmeyer@anthemcouncil.com](mailto:nmeyer@anthemcouncil.com), **no later than noon on Wednesday, May 27, 2020.**

I wish to speak during:

- Open Discussion
- Agenda Topic | Agenda Item #/Topic \_\_\_\_\_
- I acknowledge that I will have three minutes to state my questions/comments.

The following must be completed. **Highlighted sections are required.**

**Name:** \_\_\_\_\_ **Address:** \_\_\_\_\_

**Phone:** \_\_\_\_\_ **Topic:** \_\_\_\_\_

**Email:** \_\_\_\_\_

**Zoom Account Name (what will appear on screen):** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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### Memorandum

**To:** ACC Board of Directors

**From:** Paul Conley, Community Finance Officer  
Neal Shearer, Community Executive Officer

**Date:** May 21, 2020

**Re:** Resolution 2020-R-01 - Finance Committee Name and Chair Designation

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#### **Recommendations**

Staff recommends that the Board adopt Resolution 2020-R-01, to:

1. Rename the Fiscal and Resource Management Committee (FaRM Committee) to the Finance Committee; and
2. Designate the ACC Board Treasurer to serve as the chair of the Finance Committee.

#### **Background**

Renaming the FaRM Committee to the Finance Committee is intended to simplify the name of the committee, and to align it with common terminology used by the Anthem HOAs and other community associations. This name change does not alter the scope of work for this Committee as outlined in the ACC Board Policy Manual, Section 4.1.2.

Designating the Council Board Treasurer to serve as the standing chairperson of the Finance Committee will facilitate ongoing alignment and communication between the Committee, the Board and executive staff. This action is consistent with the ACC's Bylaws regarding the Treasurer's duties.

Attachment: Resolution 2020-R-01

**Resolution 2020-R-01**

*Anthem Community Council Board Policy Manual  
Fiscal and Resource Management Committee*

Anthem Community Council, Inc.  
3701 W. Anthem Way, Suite #201  
Anthem, Arizona 85086

WHEREAS, the undersigned, representing the Board of Directors ("Board") of Anthem Community Council, Inc., ("Council") an Arizona nonprofit corporation, hereby agrees to adopt this Resolution to amend the Council's Board Policy Manual.

WHEREAS, this resolution supersedes and replaces any previously approved resolution regarding the same matter.

NOW THEREFORE BE IT RESOLVED, upon adoption of this Resolution by the Board, the Board Policy Manual shall be amended to reflect that the "Fiscal and Resource Management Committee," otherwise referred to as the "FaRM Committee," shall be renamed the "Finance Committee." All such references throughout the Board Policy Manual shall be revised to reflect the same.

BE IT FURTHER RESOLVED, that Section 4.1.2 of the Board Policy Manual shall be amended and restated as follows in order to designate the Treasurer of the Anthem Community Council to serve as the chair of the Finance Committee:

4.1.2 Finance Committee

This Committee's mission is to make policy recommendations to the Board on financial issues and relevant internal and external controls that will provide financial benefit to the greater good of the Anthem community. The Finance Committee membership should contain residents who have experience and expertise in management, accounting, finance, investments and/or insurance and the Treasurer of the Anthem Community Council shall serve as the chair of the Committee. The specific scope of work for the Finance Committee includes:

1. This Committee shall study and recommend policies relating to financial principles, plans and courses of action that provide for mission accomplishment and organizational financial well-being.
2. Consistent with this responsibility, the Committee shall review the annual budget as presented by the CEO and make its recommendations to the Board.
3. In addition, the Committee shall make recommendations with regard to the level and terms of indebtedness, cash management, investment policy, risk management, financial monitoring and reports, signatory authority for expenditures and other policies that the Committee determines are advisable for effective financial and resource management.

APPROVED this \_\_\_\_\_ day of May, 2020.

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Terry Mullarkey, President

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Attested by: Darrin Francom, Secretary

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### Memorandum

**To:** ACC Board of Directors  
**From:** Paul Conley, Community Finance Officer  
**C:** Neal Shearer, Community Executive Officer  
**Date:** May 21, 2020  
**Re:** **ACC Finance Committee Reappointments and Appointment**

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#### **Recommendation**

Staff recommends that the Board take the following actions regarding the Anthem Community Council Finance Committee:

1. Reappoint Mark Senn and William Bobbitt to a two-year term each, and Tim Donnelly to a one-year term, effective July 1, 2020; and
2. Appoint Vaughn Miller to a thirteen-month term, effective June 1, 2020.

#### **Background**

Per policy, the ACC Board president, with “advice and consent of the Board,” appoints ACC Committee members.

The terms for the three current Finance Committee members expire on June 30, 2020. In order to re-establish staggered terms, as stipulated in the Board Policy Manual, and acknowledge tenure on the Committee, it is recommended that Mr. Senn (Country Club) and Mr. Bobbitt (Parkside) be reappointed to two-year terms ending June 30, 2022; and that Mr. Donnelly (Country Club) be reappointed to a one-year term ending June 30, 2021.

In addition to these reappointments, it is recommended that Vaughn Miller (Parkside) be appointed to a thirteen-month term ending June 30, 2021. Mr. Miller has a B.S. in accounting and has been actively involved with community finance issues for many years as an Anthem resident, has served on the Parkside Finance Committee, and formerly held a Controller position with Associated Asset Management (AAM).

By re-establishing staggered terms, each of these Finance Committee members will be eligible for full two-year terms at the next reappointment cycle.