

anthem community council

**Meeting of the Board of Directors
October 23, 2019
Open Session at 6:30 p.m.
Anthem Civic Building
3701 W. Anthem Way
Community Room**

MEETING MINUTES

Members Present:

Terry Mullarkey, President
Bob McKenzie, Vice President
Darrin Francom, Secretary
Carolynn Hiron, Treasurer
Roger Willis, Director
Dino Cotton, Director

Members Absent:

Others Present:

Neal Shearer, Community Executive Officer
Kristi Northcutt, Communications & Public Affairs Director
Michele DeMichele, Special Events & ACB Operations Director
Dave Fermoile, Community Center Director
Brian Duncan, Parks & Facilities Director
Robin DePetro, Controller
Jonathan Ebertshauser, Legal Counsel
Kim Bodary, Recording Secretary

CALL TO ORDER

President Mullarkey called the meeting to order at 6:32 p.m. and recognized those in attendance.

ESTABLISH QUORUM

President Mullarkey established a quorum with six Board members present.

ADOPT AGENDA

Vice President McKenzie made a motion to adopt the agenda. Secretary Francom seconded. Voting took place; the motion passed unanimously.

APPROVAL OF MEETING MINUTES

Vice President McKenzie made a motion to approve the minutes from the September 25, 2019 Open Session. Treasurer Hiron seconded. Voting took place; the motion passed unanimously.

STAFF REPORT

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

Mr. Shearer gave special thanks to the Autumnfest sponsors: BrightView Landscapes (Title); ProSkill Plumbing, Renewal by Anderson, and First Impression Ironworks (Event); HonorHealth (Food Court); and Baskin-Robbins (Pole Sponsor). He also thanked the ACC Special Events team, consisting of Michele DeMichele and Deb Pulido; the Parks & Facilities team for setup and teardown; the Communications staff for hosting an information booth and the pumpkin contest; and all others on staff who jumped in to make this special event successful.

Mr. Shearer also thanked the Arizona Department of Veterans' Services, Safeway-Albertsons Foundation and BrightView Landscapes for their sponsorship support for this year's Veterans Day Ceremony.

Mr. Shearer thanked Directors Cotton, and Francom and ACC Management Analyst Dawn Dworak for serving as advisors to AYAC this term.

President Mullarkey stated that the Maricopa County Trail alignment, behind the new dog park, has been approved by Maricopa County staff and will now be considered by the Board of Supervisors.

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CLOSED SESSION REPORT

Mr. Ebertshauser stated that the the owners of lot 26 in Commerce Park received Counsel's letter regarding various violations, and the ACC is optimistic that the lot parcels will be cleaned up. Staff will continue to monitor this area.

OPEN DISCUSSION

Kris Madson, resident, expressed concerns with an abandoned car in the commercial property near Triumph Court. President Mullarkey stated that ACC staff would look into this and call the responsible party to have it towed.

Ron Jerich, resident, expressed concerns with vehicles without license plates at another commercial property in Anthem. President Mullarkey asked that Mr. Jerich email him or Ms. Bodary regarding location of this lot, and staff will follow up on his concerns.

OLD BUSINESS

A. Consider Adopting Resolution 2019-R-01, Approving the 2020 Operating Fund Budget

Mr. Shearer stated that the proposed 2020 Operating Fund Budget was discussed in detailed at the recent October 15 Open Work Session and thanked those who attended. The Board Strategic Priorities were used as a basis for evaluating a number of line items.

Mr. Shearer also applauded staff for their hard work and dedication in developing a thoughtful budget, resulting in no assessment increases, from the ACC; there will be a small increase, due to the new landscaping contract, for Paseo homeowners.

Mr. Shearer stated that staff and the Board would consider revamping the budget process and how its presented next year, evaluate the timeline of the final Master Plan project (skate park expansion), and look at possible ways to restructure the Finance and Resource Management Committee (FaRM).

President Mullarkey stated that this is the second 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, complimented the Board and staff for doing a great job on the budget this year and suggested that the Council think outside the box on upper level positions.

Ron Jerich, resident, inquired on cash flow issues in the Enhancement Fund and President Mullarkey stated that there are no cash flow issues, but that funds were borrowed from the Operating Fund to help pay for the dog park, which will be paid back. President Mullarkey also stated that the reason for re-evaluating the skate park expansion timeline is due to rising construction costs over the estimated costs obtained three years ago.

President Mullarkey stated that due to a recent audit, it was suggested that there be a separate Community Finance Officer (CFO) and Community Operating officer (COO), so that the duties are separated and there are checks and balances in place.

Vice President McKenzie thanked Mr. Jerich for his compliment on the budget.

Treasurer McKenzie made a motion to approve resolution 2019-R-01, approving the Anthem Community Council's 2020 Operating Fund Budget. Treasurer Hiron seconded. Voting took place; the motion passed unanimously.

NEW BUSINESS

A. Consider Authorizing the CEO to Finalize and Execute an Initial Two-Year Contract with DLC Resources for Landscape Maintenance Services

Mr. Shearer gave an overview and discussed the process steps that the ACC and Parkside HOA took regarding the Request for Proposal (RFP) for landscape maintenance services starting for 2020 and beyond.

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Mr. Shearer stated that an evaluation team, consisting of Board and staff representing both the ACC and Parkside, evaluated and discussed the written proposals, and stated that quality was the main focus. Based on the interviews and proposals, subsequent due diligence involving site visits and reference checks, and in considering the totality of information available, the evaluation team recommended DLC Resources as the most responsible and qualified contractor.

Mr. Shearer thanked everyone who was involved with this lengthy, yet thorough process.

Rebecca Herro, Chief Development Officer for DLC Resources, introduced the DLC staff in attendance, which included the field team that will be assigned to Anthem.

President Mullarkey asked Ms. Herro about DLC being an employee-owned company, and what that meant to their employees. Ms. Herro stated that DLC Resources just celebrated thirty years as a company and Jeff Penney, one of the co-founders, believes that the culture and employees of the company are fundamental to success. He made the decision during succession planning to make DLC Resources an employee-owned company. The transition started in 2009, and once employees are vested in the employee stock ownership plan (ESOP), profitability gives their shares value. The success of the company is directly related to the employees' retirement account success and serves as a unique retention tool, which gives them a competitive edge in the job market.

President Mullarkey inquired how DLC Resources retains employees and Ms. Herro stated that they have a better chance of retaining employees if they stay beyond ninety days. Because of the ESOP and unique work culture, employees generally stay with the company. DLC also offers a training leadership and development program so that anyone who wishes to advance or learn new skills can do so. They also conduct employee surveys and annual compensation checks to stay competitive.

President Mullarkey asked about the transition for Anthem and Ms. Herro stated that meetings are already set up with ACC staff and the DLC managers who will be responsible for specific tasks, and who be held accountable for individual roles in taking over this project.

President Mullarkey asked that DLC Resource staff, who will be handling Anthem, inform ACC staff of anything that we may not be doing right, and stated that DLC will hear from Anthem residents and staff if standards are not met.

Donna Cheshire, resident, asked about brush clearance near her property and gave Mr. Duncan her phone number so that Parks & Facilities staff could follow-up with her.

Ron Jerich, resident, stated that DLC Resources does a great job in the Country Club but asked who would be managing the contract from the ACC. President Mullarkey reiterated that the Board made the decision to go out for a RFP, since this is the largest contract, which is our fiduciary responsibility.

Mr. Shearer followed up on Mr. Jerich's question, stating that as CEO, he will take an active oversight role and that John Lunsford, ACC Parks & Facilities Manager, will manage the landscape contract in the field.

Director Willis stated that the ACC has learned a lot about managing contracts over the past few years and expects things to improve in the future.

Mr. Shearer thanked Mr. Monson, Mr. Berg and the BrightView team for nine years of professionalism and dedicated support and services to Anthem as part of their landscape services contract.

Vice President McKenzie made a motion to authorize the CEO to finalize and execute a contract for landscape maintenance services with DLC Resources for an initial two-year term beginning Jan. 1, 2020. Secretary Francom seconded. Voting took place; the motion passed unanimously.

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There being no further business to discuss, the meeting adjourned at 7:10 p.m.

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