



**MARLEY PARK COMMUNITY ASSOCIATION INC.  
MINUTES OF BUDGET AND FINANCE ADVISORY COMMITTEE MEETING  
July 29, 2019**

Following are the Minutes of the meeting of the Budget and Finance Advisory Committee, a Committee of the Marley Park Community Association Inc., an Arizona non-profit corporation (the "Association"), held on July 29, 2019. The meeting was held at the Heritage Club located at 15210 W. Sweetwater Avenue, Surprise, Arizona 85379.

**Committee Members Present:** Lance Miyatovich - Chair  
Nathan Rufty  
Martin Walsh  
Gary Schaffer  
Scott Heistand

**Committee Members Absent:**

**Staff Present:** Rebecca Zieber, Assistant Manager, Community Operations  
Tabatha Long, Vice President, Community Operations  
Kathryn Prusinski, Director, Community Engagement  
Rhiannon Miett, Manager, Community Engagement  
Jesse St. Clair, Landscape & Facilities Superintendent

**Others in Attendance:** Three (3) guests were in attendance

**I. Call to Order**

Chairman Miyatovich called the meeting of the Budget and Finance Advisory Committee to order at 6:00 p.m.

**II. Review of June 2019 Financials**

Mr. Mead reviewed the June 2019 Financial Report.

The Committee discussed the June 2019 Financial Report compared to those they had received in the past. Mr. Mead explained that many of the variances in the amounts reflected in the Financial Report are a result of the timing of the receipt of funds and accounts payable. Mr. Mead also explained that the contribution to the reserve fund is not made until the end of the year and that Board approval is required to move money into the reserve fund. Mr. Miyatovich commented that the industry standard is to allocate a set amount or percentage of the assessments collected monthly.

Mr. Mead discussed the ICS account which is a money market that diversifies funds to minimize risk. Since FDIC insurance won't insure any amount over \$250,000 ICS accounts are designed to diversify funds across multiple banks so the



diversified accounts do not exceed \$250k. Money from the ICS can be moved up to 6 times per month. Mr. Mead also stated that the current accounts provide for the following interest rates: Checking account - 0%, ICS -0.5%. CD accounts may receive up to 3% interest.

The Committee inquired about the process for collections on past due accounts. Mr. Mead detailed the following: Owners are sent a notice of a past due account after 1 month, after the second month a \$15 late fee is applied. After the 3<sup>rd</sup> month an account is delinquent at \$35 fee is applied and the owners are notified that non-payment will result in the account being turned over to a collection agency and may impact their credit rating. After 4 months of delinquency the account is then turned over to the collection agency. Thereafter, if payment is not received, the account is referred to legal counsel for recommendations on foreclosure action. The Association is not a lienholder in cases of bankruptcy and legal counsel provides recommendations on the likelihood of the Association recouping the amounts owed. All the collection fees applied to an owner's account is collected by DMB Community Life. Any collection agency fees charged to the owner is collected by the association.

Mr. Mead elaborated on the bad debt line item in the budget which is essentially a guessing game on which owners will pay. The committee discussed the need for the Association to get tougher on nonpayment as the amount of delinquent debt is high.

The Committee discussed other line items in the Financial Report including the Community Enhancement Fee, the working capital received from builders in the community and the insurance costs that are much higher than anticipated in the 2019 budget. Ms. Zieber responded that updates to the insurance information provided to the brokers after the 2019 budget was approved increased the insurance premiums. Insurance rates fluctuate year to year because we put the policies out to the insurance markets annually.

Mr. Rufty moved and Mr. Heistand seconded the motion to recommend to the Board that the MPCA aggressively pursue past due amounts owing as soon as possible subject to any legal requirements.  
Motion passed unanimously.

**III. Discussion of approved Landscape Service Provider pricing and recommendations regarding the allocation of funds for increased cost of landscaping services (GL: 61200).**

Ms. Zieber informed the Committee that the Landscape Advisory Committee had recommended starting a 4-week landscaping cycle with AAA on September 1, 2019 and that they felt there would be no measurable improvement if the Board decided to follow a 5 or 6 week cycle. Mr. Mead informed the Committee that \$264,000 was currently budgeted for the reserve contribution for 2019. The



Committee felt that the Association's income would increase over time as more homes are built and the rental properties run by Christopher Todd come on line but that they would need to reduce the budget for other items to compensate for the increase cost of the landscape services in 2020.

Mr. Rufty moved and Mr. Schaffer seconded the motion to recommend that the Board approve a 4 week cycle starting on September 1, 2019 for both the MPCA and the Special Service Area.  
Motion passed unanimously

**IV. Review of General Ledger Codes**

The Committee decided that they had received sufficient information regarding the General Ledger codes during the review of the June Financial Report.

**V. Review of 2019 Special Service Area Budget and Landscape Services Bids to inform the Budget and Finance Advisory Committee's recommendation to the Board regarding a potential decrease in the Special Service Area assessment.**

The Committee tabled this discussion until a recommendation is made by the Special Service Area Committee.

**VI. Review and discussion of Management Services Contract RFP.**

The Committee reviewed the proposals from the invited Management Services providers. The Committee determined that Associa would not be invited to present to the Committee. DMB Community Life, Associated Asset Management, Brown Community Management and First Service Residential would be invited to present to the Committee.

**VII. Adjournment**

Chairman Miyatovich adjourned the meeting at 9:10 p.m..