



**MARLEY PARK COMMUNITY ASSOCIATION INC.  
MINUTES OF BOARD OF DIRECTORS MEETING  
October 14, 2019**

Following are the Minutes of the Special Meeting of the Board of Directors of Marley Park Community Association Inc., an Arizona non-profit corporation (the "Association"), held on October 14, 2019. The meeting was held at the Heritage Club located at 15210 W. Sweetwater Avenue, Surprise, Arizona 85379.

**Directors Present:** Mark McCall – President  
Lance Miyatovich – Vice President  
Donna Bronski – Secretary  
Valerie Jackson – Owner Director

**Directors Absent:** Dan Kelly – Treasurer

**Staff Present:** Rebecca Zieber, Assistant Manager, Community Operations  
Darrell Mead, Director, Finance and Accounting

**Others in Attendance:** Thirty Seven (37) guests were in attendance

**I. Call to Order**

President McCall called the meeting of the Association's Board of Directors to order at 6:00 p.m.

**II. Establish a Quorum**

A quorum was established.

**III. Officers' Reports**

**A. Secretary's Report**

Ms. Bronski presented the Minutes from the September 16, 2019 Board of Directors meeting for review. There were no questions or concerns, and the Minutes were accepted as submitted.

**B. Treasurer's Report**

Mr. Mead presented the Association's Financial Statements for the period ending August 31, 2019 (the "Financial Report") for review (a copy of which is attached hereto). There were no corrections, and the Financial Report was filed as submitted.

**IV. Committee Reports**

**A. City of Surprise Councilperson Judd**

Councilperson Judd presented the City of Surprise's plan to install a shade



structure over the splashpad in Heritage Park. Councilperson Judd indicated that the placement of the shade structure would most likely require the removal of the trees around the splashpad. Detritus from those trees had been causing problems with the operation of the splashpad.

**B. Budget and Finance Advisory Committee**

Mr. Miyatovich presented the update on the meetings of the Budget and Finance Advisory Committee (BFAC). The BFAC met on September 30 to review the August Financials and to work on the recommendation regarding the proposed 2020 MPCA Budget.

**C. Landscape Advisory Committee**

Ms. Jackson presented the update on the work of the Landscape Advisory Committee (LAC) at their meeting on September 17, 2019. Representatives from AAA Landscape attended that meeting to provide updates and the LAC is working on preparing their recommendations to the Board regarding the 2020 Capital Projects.

**D. Special Service Area Committee**

Ms. Zieber presented the update from the Special Service Area Committee meeting held on September 23, 2019. The Committee recommended that the assessment rate for the Special Service Area remain at \$93 per month in 2020. Their recommendation is based on the increased cost of landscaping services under the new contract with AAA Landscape begun on September 1, 2019.

**V. Board Actions**

There were no Board actions outside of a Board meeting since the September 16, 2019 MPCA Board of Directors meeting.

**VI. Call to Members/Residents**

Three (3) attendees shared their concerns and recommendations regarding the removal of the roof maintenance, repair and replacement portions of the Resolution governing the Special Service Area and the selection of a management company based on the bids received by the Board.

**VII. Business**

**A. Discussion and possible action on the draft Investment Policy recommended by MPCA staff.**

Mr. Miyatovich asked that this agenda item be tabled until the MPCA Board of Directors meeting on October 28, 2019 to allow the BFAC to review the policy



at their upcoming meeting and provide recommendations to the Board. President McCall asked where the draft Investment Policy originated and Ms. Zieber responded that staff had provided the draft to the BFAC in February 2019 for their review. Ms. Bronski asked that the hiring of an independent Financial Consultant be included in the Draft Investment Policy.

Mr. Miyatovich moved and Ms. Jackson seconded the motion to table the discussion and possible action on the draft Investment Policy until the next meeting of the Board of Directors.

Motion passed unanimously.

**B. Discussion and possible action regarding next steps for selecting a Management Services Company.**

President McCall called on those attendees who had submitted Request to Speak forms for this topic to address the Board. Twelve (12) attendees addressed the Board to provide their input on the selection of a Management Services company and the engagement of an outside consultant to review the bids received for the management services contract.

Ms. Jackson asked that since the Board's decision on agenda item C would have a direct impact on the next steps to be taken with respect to the management services contract that it be discussed first. President McCall agreed.

**C. Discussion and possible action regarding the engagement of a third party consultant to review the Management Services Contract Bids received by the Marley Park Community Association.**

Mr. Miyatovich commented that the hiring of an external consultant to review the bids received from Associated Asset Management, First Service Residential and DMB Community Life would ensure that the Board fulfilled its fiduciary obligation to act in the best interest of the community.

Ms. Bronski stated that she disagreed with the need to hire an outside consultant to review the bids as an outside consultant would not have a good understanding of the community and its needs. Ms. Bronski further stated that she felt that the Board is in the best position to make a determination on the company best suited to manage the community. However, Ms. Bronski did note that the request for proposals sent out by the BFAC did not contain standardized requirements that would put all companies submitting bids on the same page. Ms. Bronski further recommended that the Board develop a scope of work before attempting to compare the bids received. Mr. Miyatovich stated that all companies were asked



the same questions regarding community operations, governance, financial management and IT and website capabilities.

Mr. Miyatovich stated that he was very concerned regarding DMB Community Life's management of the MPCA's finances and that he felt DMB Community Life had been over charging the MPCA in previous years. This is particularly concerning when the 2018 Management Services Contract included office rental in the per door fee but the 2018 MPCA Budget also included office rental for office space in Verrado. Mr. Miyatovich stated that he saw ethical challenges for DMB Community Life continued management of the community.

Ms. Jackson stated that she was concerned about the cost of hiring an outside consultant to review the bids for management services. However, if the Board chose to engage a consultant she would like to see options for the consultants that would be appropriate and well respected that the Board could select from. Ms. Jackson also asked what the process would be for the consultant's review of the bids and if the Board would have input into the consultant's review.

Mr. Miyatovich responded that his recommendation was that the Board engage Julie Adamen, a well respected expert in the field of community association management. Julie Adamen was familiar with all 3 companies that the Board is considering and has no business relationships with any of those companies. Since this is the first time that the management services contract has been put out to bid, Mr. Miyatovich felt that engaging an outside consultant would be appropriate and would negate any allegations of bias made against the Board or the BFAC.

Ms. Bronski stated that the Board is working under a short timeline to make the decision. Ms. Bronski further stated that she disagreed with the premise that the Board would be violating their fiduciary duty if they did not engage an external consultant and that she is concerned with the potential for litigation.

President McCall indicated that since notice of termination could not be provided to DMB Community Life until December 31, 2019, that the Board had some time to consider the bids received. However, President McCall also had concerns regarding the cost of hiring an outside consultant and the timing of receipt of the consultant's recommendation. Mr. Miyatovich responded that he felt that given all of the appropriate information, a consultant should have their report completed by November 30, 2019.

Mr. Miyatovich moved and Ms. Jackson seconded the motion to engage an outside consultant to review the bids received for community management services.

Motion failed. Two (2) for and two (2) against.



Mr. Miyatovich moved and Ms. Jackson seconded the motion to contact three (3) qualified outside consultants to review the bids received for community management services of which the Board would select one (1).

Motion passed. Three (3) for and one (1) against.

President McCall asked who would contact the outside consultants on behalf of the Board? Mr. Miyatovich volunteered to research and contact two (2) other consultants to present to the Board. The review of an outside consultant would also necessitate the addition of a Board meeting in December and the cancellation of the management company Q&A on October 28, 2019.

Motion to inform 3 current companies that we will delay the selection of a management company to a future meeting and MM to contact the companies.

Motion passed unanimously.

#### **VIII. Adjournment**

President McCall adjourned the meeting at 8:12 p.m..