



**MARLEY PARK COMMUNITY ASSOCIATION INC.
MINUTES OF BOARD OF DIRECTORS MEETING
November 19, 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 November 19, 2019. The meeting was held at the Heritage Pool House located at 13243 N Founders Park Boulevard, Surprise, Arizona 85379.

Directors Present: Lance Miyatovich - Vice President
Donna Bronski - Secretary
Valerie Jackson - Owner Director
Dan Kelly - Treasurer

Directors Absent:

Staff Present: Rebecca Zieber, Assistant Manager, Community Operations
Darrell Mead, Director, Finance and Accounting
Kathryn Prusinski, Director, Community Engagement
Scott Rowan, Director, Community Asset Management
Jesse St. Clair, Manager, Community Assets
Rhiannon Miett, Community Engagement Manager
Rachele Stock, Community Operations Coordinator

Others in Attendance: Twenty (20) guests were in attendance

I. Call to Order

Mr. Miyatovich called the meeting of the Association's Board of Directors to order at 6:05 p.m.

II. Establish a Quorum

A quorum was established.

III. Officers' Reports

A. Secretary's Report

Ms. Bronski presented the Minutes from the October 28, 2019 Board of Directors meeting for review. Ms. Bronski noted one addition and the Minutes were accepted as amended.



- B. Mr. Mead presented the Association's Financial Statements for the period ending October 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. Mr. Mead asked that the Board authorize the transfer of \$400,000 from the operating account to the reserve account. Mr. Miyatovich requested that this decision be tabled until the next meeting since it was not included on the agenda for this meeting. The Board agreed to consider this request at the next meeting. Mr. Mead also noted that DMB Community Life staff had been waiting on final approval of the draft Investment Policy.

IV. Board Actions

- i. The Board executed a Resolution dated November 12, 2019, to engage the services of Julie Adamen to review three bids received for management of the Marley Park Community Association
- ii. The Board executed the Resolution dated November 19, 2019, that updated the governance of the SSA.

V. Business

- i. **Discussion and action regarding the proposed 2020 Budgets for the Marley Park Community Association and Special Service Area.**

Mr. Mead presented the proposed 2020 Budgets for the MPCA and Special Service Area (SSA). Recommendations of the Budget and Finance Advisory Committee (BFAC) had been incorporated into the most recent draft provided to Board members. Staff recommended an increase to the MPCA assessment between \$2 and \$6. A \$2 increase would result in a surplus in 2020 that would equate to the amount spent on capital projects in 2019. An increase of \$6 would provide sufficient capital to increase the reserves by approximately \$400,000, subject to operating expenditures in 2020.

The Board discussed the recommendation of the BFAC to include prospective fine amounts in the income portion of the 2020 MPCA Budget. Staff had not included this income in previous budgets as it was perceived by residents in the past as creating an obligation for staff to meet the income target set by the Board.

Motion made by Mr. Miyatovich, seconded by Ms. Bronski: Include \$300 per month in the 2020 MPCA Budget under the GL 42100 for anticipated revenue from fines collected per the Noncompliance Enforcement Guidelines. Motion passed 3 for (Mr. Miyatovich, Mr. Kelly and Ms. Bronski) and 1 against (Ms. Jackson).



Staff provided the Board with the proposed 2020 SSA Budget as well as an analysis of the funding requirements for capital projects in 2020 and beyond. To support all work required on an annual basis, approximately \$44,000 surplus is required each year. In addition, irrigation refurbishment will be required in 2025 and is expected to cost \$46,000. To fund the irrigation refurbishment, an additional \$9,600 will be required per year to contribute to the Reserve fund. Based on the expected surplus for 2020 (\$22,686) an increase in the SSA assessment of \$17 per month would be required to fully fund the work required annually. An increase of \$24 per month would be required to fully fund the work required annually and to contribute a sufficient amount to the reserve fund to fund the irrigation refurbishment in 2025. The Board took into consideration the recommendation of the SSA Committee that there be no increase to the SSA Assessment in 2020. The Board took comment from attendees.

Motion made by Ms. Bronski, seconded by Ms. Jackson: To increase the monthly assessment applicable to Special Service Area units to \$98 per unit per month (an increase of \$5 from 2019) effective January 1, 2020. Motion passed 3 for (Mr. Kelly, Ms. Jackson and Ms. Bronski) and 1 abstaining (Mr. Miyatovich).

Motion made by Ms. Jackson, seconded by Ms. Bronski: To approve the Special Service Area 2020 Budget as presented. Motion passed 3 for (Mr. Kelly, Ms. Jackson and Ms. Bronski) and 1 abstaining (Mr. Miyatovich).

Motion made by Ms. Jackson, seconded by Mr. Kelly: To increase the monthly assessment applicable to MPCA units to \$117 per unit per month (an increase of \$7 from 2019) effective January 1, 2020. Motion passed 3 for (Mr. Kelly, Ms. Jackson and Ms. Bronski) and 1 abstaining (Mr. Miyatovich).

Motion made by Ms. Bronski, seconded by Mr. Kelly: To approve the Marley Park Community Association 2020 Budget as amended. Motion passed 3 for (Mr. Kelly, Ms. Jackson and Ms. Bronski) and 1 abstaining (Mr. Miyatovich).

ii. Discussion and possible action on options for Special Service Area owners resulting from the removal of roof maintenance in the 2019 Special Service Area Resolution.

Ms. Zieber detailed the outcome of the Board's Executive Session held on October 30, 2019. Whereat the Board discussed the options for the SSA owners resulting from the removal of roof maintenance, repair and replacement from



the 2006 SSA Resolution. The Board determined that the only option that may be permitted under the governing documents of the MPCA would be to provide a one time payment to SSA owners that reflected the amount contributed to roof maintenance since the inception of the SSA. Ms. Zieber noted that although that option may be permitted under the governing documents of the MPCA, it is the opinion of legal counsel, provided to the Board before the meeting, that this type of payment is not permitted under the Nonprofit Corporation Act, to which the MPCA is subject.

iii. Discussion and possible action on providing notice to DMB Community Life regarding termination of the existing Management Service Contract.

The Board considered the request that they authorize Mr. Miyatovich to provide notice of termination under the current contract with DMB Community Life on December 31, 2019. This is the date the Initial Period as defined under the contract expires and a 60 days' notice is required thereafter. The Board felt that it was better to wait until a bid for management services is selected and a new contract signed before providing notice under the current contract. The item was tabled until a future meeting.

iv. Discussion and possible action regarding the vacancy on the MPCA Board of Directors resulting from the resignation of Mark McCall.

The vacancy on the Board resulting from the resignation of Mark McCall on October 15, 2019 was discussed. The Board is in favor of leaving the position vacant until the next election in Q1 2020. This will mean that the next election will be for three (3) positions. Two (2) of those positions will have two (2) year terms and the vacant position will have a one (1) year term since it is only necessary to fill the currently vacant position until the expiration of the term when Mr. McCall was originally elected.

Motion made by Ms. Bronski, seconded by Ms. Jackson: To leave the open position on the board, resulting from the resignation of Mark McCall, vacant until the next election scheduled for Q1 2020. The next election will be for 3 positions on the Board. The two (2) candidates with the most votes will take the two (2) year positions and the candidate that receives the third highest number of votes will take the vacant position resulting from Mr. McCall's resignation until the Annual meeting in 2021. Motion passed 3 for (Mr. Kelly, Ms. Jackson and Ms. Bronski) and 1 abstaining (Mr. Miyatovich).

The Board appointed Ms. Jackson to serve as President until the next election in Q1 2020.

VI. Adjournment



Mr. Miyatovich adjourned the meeting at 7:55 p.m..