

The ACHOA Board and Committees: Who is controlling your destiny?

Summary: The ACHOA Board decided on September 16, 2015, in a 4:3 vote to accept the proposed agreement between the HOA and the Friends of Arrowcreek (FOA) to purchase the 36 holes of the golf course property based on the recommendation of the Arrowcreek Community Club Committee (ACCC).

The next ACHOA board meeting is today on November 3rd, at the ArrowCreek Community Club house, at 5:30PM. A revised tentative timeline for the golf course purchase will be presented during that meeting. The Board will also vote on the managing company contract on November 3rd. Three Board member positions are up for election this December (two pro golf course purchase: Rakusin, Elliot, one against: Krisch) The proposed tentative voting period regarding the Golf Course purchase proposal is to start on December 15th when ballots are to be mailed out following the distribution of background materials on 23 November.

So far, the decisions that brought us to this point have been based on the votes of a few board members and the influence of a few committee members. We have incomplete information about the personal interests of our board members and committee members, although they profess that protecting property values is their only concern without any factual data with regards to the golf property purchase. We have little information as to their qualifications to guide the community through the process of a big real estate transaction like the purchase of the 475 acres of golf property. What we do know is that recommendations by committees have been ignored. Comments by homeowners during board meetings have been ignored.

If you want to change the status quo, want to slow down the accelerated path towards the golf property purchase as proposed by the ACCC, if you want to completely understand the ramifications of buying the golf property and associated changes of our CC&R's, then take control over your destiny as an AC resident: come to the meetings, and vote.

Background:

Below is a list of current ACHOA Board members and key committees with its members. Then let's take a look at other recent events, other recent decisions made, and upcoming decisions to be made 'in the best interest of our community of 1086 Lot owners.'

HOA Board

- **President: Sam Fox:** voted YES on golf course purchase proposal
- **Vice President: Robin Rakusin:** voted YES on golf course purchase proposal, is a professed golf club member, lives on golf course, her position is up for election, she stated on 09/16/15 during a board meeting that she is just a volunteer, and does not answer to shareholders, she verbally attacked a candidate holding opposing views to hers during last year's candidates night.
- **Secretary: Charles Dickinson:** voted NO on golf course purchase proposal, voted NO *on the Administrative Committee's recommendation to award the contract to the lowest bidder (First Service Management Company) for the HOA management company*
- Treasurer Alan Liebman: voted NO on golf course purchase proposal, but recommends purchase of entire Golf course rather than just 36 holes, lives on golf course where his property abuts FOA parcel 152-611-07,
- Director Steven Elliott: voted YES on golf course purchase proposal, his position is up for election
- Director John Krisch: voted NO on golf course purchase proposal, his position is up for election
- **Director Joyce Seelen:** voted YES on golf course purchase proposal, is a professed Golf Club member, lives on golf course, admitted to conflict of interest on her candidate application form but has voted multiple times regarding the golf course, has been an absentee board member for much of the last five months, participating by phone off and on throughout this period

ArrowCreek Community Club Committee (ACCC)

Board Liaison: Charles Dickinson (Board member: see above): voted NO on golf course purchase proposal
Chairperson: Rich Kenny: lives on golf course, spokesperson for the committee, presenter at HOA meetings past HOA Board member /President, served HOA also as Board Treasurer, the Budget Committee, represented the Unsecured Creditors Committee in the bankruptcy proceedings

- **Sam Fox (Board President)**: see above, voted YES on golf course purchase proposal
- **Paul Burkett**: former litigant and current golf club 'social' member, past president of HOA, temporary HOA board member in 2014 (currently on multiple committees, see below)
- **Norm Reeder**: golf club member, lives on golf course, former Golf Club Advisory Board President, member of ACCC and Communications Committee
- **Robin Rakusin (Vice President)**: see above: golf club member, voted YES on golf course purchase proposal
- Gary Smith: recently resigned as ACCC member, former golf club member, past HOA board member/ president: recommended against purchase of golf club at 9/16/15 HOA meeting

Gary Pestello, current FOA chairman and spokesperson, one of the litigants 2006-2008, and Tom Gurney, both managing partners of the FOA, were advising the board as voting members of the ACCC until December 2014 when the first LOI between the board and the FOA was finalized.

Administrative Committee

Board Liaison: Charles Dickinson: (Board member: see above), voted NO on the Administrative Committee's recommendation to award the contract to the lowest bidder (First Service Management Company) for the HOA management company, voted NO on golf course purchase proposal

- Wayne Krachun: was rejected as member by ACCC, obtained letter by Fire Marshall, clarifying that the HOA is not responsible for fire mitigation unless it owns the golf course property
- Forrest Patin
- Margaret McConnell – Committee Chair, expressed concerns about financial and legal burden on homeowners with the golf course purchase during 9/16/15 meeting
- Yvonne Bates, requested consideration and exploration of other options during 9/16/15 HOA meeting

Communications Committee

Board Liaison Joyce Seelen: (Board member, see above), voted YES on golf course purchase proposal

- **Chairperson: Paul Burkett**: see above, on multiple committees
- Co-Chair **Norm Reeder**: golf club member (also on ACCC)
- Mike Hendi
- Harvey Katz
- John McGhee; lives on golf course, has argued during multiple meetings for transparency, and disclosure of all facts and costs regarding the golf course purchase proposal
- **Hal Albright**: golf club member, FOA, lives on golf course
- J.R. Rodine: golf club member
- Joseph F. Uhlan
- Susan Duncan
- Jeff Foster
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Finance & Budget Committee

Board Liaison: Alan Liebman (Board member: see above)

- **Chairperson: Paul Burkett**: see above, on multiple committees
- Ken Peterson
- Gary Babykin
- John Krisch: (Board member: see above)
- Dave Steele: past board member
- **Rich Kenny**: see above
- **Robin Rakusin: (VP) see above**
- Jeff Anderson, Staff (assisting)

Governing Documents Committee

Board Liaison: Joyce Seelen: (Board member): voted YES on golf see above

- Steve Elliott – Committee Chair, (Board member) see above, voted YES on golf course purchase proposal,

- **Robin Rakusin (VP):** See above, voted YES golf course purchase proposal, sees herself as not answering to shareholders,
- William Brown
- **Paul Burkett:** see above, on multiple committees
- **Tom Motherway:** FOA, former litigant, former board member

The above lists show that there are some volunteers that serve on multiple committees, increasing their influence. The main driving forces behind the golf course purchase are the HOA board and the ACCC. We have two HOA board members on the ACCC who are in favor of the purchase proposal and the majority either has strong affiliations or strong feelings in favor of the purchase proposal. Wayne Krachun, against golf course subsidization, was rejected as a volunteer by the ACCC. While all the committee volunteers deserve recognition for their commitment, the questions that come to mind are: is there bias, is there conflict of interest, and undue influence. Do those committee members serve the best interest of all residents in our community?

We do not know how many other committee members have ties to the golf course, i.e. are golf club members, are FOA members, or have family members that are. We do know that the majority of FOA members are golf club members, and that two managing partners of the FOA were voting members of the ACCC, directly influencing the ACHOA board until December of 2014. How much collaboration or overlap is there now between the ACCC and the FOA and the HOA board?

Now let's look at: Recent Events, recent and upcoming decisions:

1. New Letter of Intent

The ACCC's recommendations since the bankruptcy of the golf club have changed several times. In 2014, owning the entire golf course and "keeping it green" was dismissed as cost prohibitive. Now the recommendation is the exact opposite: The HOA is to buy the 36 holes of the golf course and keep parts of it green if/when the FOA decides to downsize. There is no exact strategy outlined in case of bankruptcy (see: <http://arrowcreek411.com/2015/10/20/confusing-numbers-what-is-the-truth/>)

Per latest unanimous suggestion by the ACCC, the initial Letter of Intent between the HOA and the FOA is to be changed. This change would lift the one year time limit of keeping part of the golf course dormant. The new terms require the HOA to keep it in a dormant state at the HOA's expense for a minimum of 90 days until the HOA Board decides to do otherwise. In addition, the FOA cannot elect to take this action any sooner than 2017.

Looking at the volunteers sitting on the ACCC and considering the 4:3 ACHOA board vote in favor of the golf course purchase, this decision comes as no surprise.

What is a surprise is that the FOA is in a position to promise its current members that their membership fees will only increase by 10% after the introductory year. Why the continued pressure on homeowners to buy the 36 holes of the golf course?

What is not a surprise is that Gary Smith, former ACCC member, was recognized for his valuable service before he resigned from the ACCC. He was a strong advocate for the golf club purchase. What was a surprise was his latest public contribution to this community when during the 9/16/15 HOA board meeting he stated that:

- the HOA board is under no obligation to bring the golf course proposal to the homeowners,
- the purchase price is higher than fair market price,
- the proposed lease cost is far below market price,

and recommended against homeowners assuming financial responsibility for keeping part of the courses dormant and for the ongoing maintenance of the irrigation system, cart paths, etc.

2. Time schedule and Informational Meetings.

The recent recommendation by the Communication Committee (CC) to delay the golf course purchase vote until next year was outweighed by the ACCC recommendation for an accelerated path towards the first voting period starting on December 15th. The ACCC recommendation apparently was approved by the ACHOA Board in a nonpublic meeting. Why does the HOA board believe beginning the voting process during the busy Holiday season, when snow birders are out of town is needed?

Additionally, the CC recommendation to allow a debate format for the upcoming informational meetings was rejected. There will only be pro and con presentations, followed by Q & A's. Homeowners' repeated past requests to slow down and explore other options are being ignored.

Looking at the volunteers sitting on the CC, ACCC and considering the 4: 3 ACHOA board vote in favor of the golf course purchase, these decisions come as no surprise.

3. Change of Bylaws and Budget Costs

The Governing Documents Committee (GDC) decided to have board counsel Eva Segerblom review the proposed changes of the CC&R's regarding the golf course purchase and see if they are consistent with our Articles of Incorporation. Her fee is \$275/hr. Her services have been used at our expense multiple times before. For instance: we already paid her to determine if the previous ACCC recommendation of owning/operating the Golf Club as a Community Club (Joint Venture) was allowed by the Articles of Incorporation. It was not. A cost limiting approach would be to wait until after the vote, to see if developing CC&R's incorporating the golf course changes will be warranted. Previous requests to separate the votes regarding CC&R changes and the golf course purchase were rejected. A total of \$59K have been approved for projected costs associated with the golf course initiative for the 2015 budget (approved legal expense budget alone is \$23,000 for 2015). By the end of 2014 a total of \$29 K had been spent. We do not know how much HOA funds have been spent to explore other golf course options.

Looking at the volunteers sitting on the GDC, Finance and Budget committee, CC, and considering the 4:3 ACHOA board vote in favor of the golf course purchase, these decisions come as no surprise.

4. Managing Company

The Administrative Committee is recommending with a 4:1 vote to our ACHOA Board to award the contract to the low bidder, First Service Managing Company. Charlie Dickinson, board liaison, voted NO on the recommendation. First Service offers to have a manager on site 5 days a week, accessible to the HOA board and homeowners. They are able to attend more committee meetings; and take and distribute the minutes: a real benefit to the AC community as residents will be informed in a timely fashion about the various topics and issues our volunteer committees are working on and the committees' recommendations to the HOA board. First Service offers professional HR services and employee training as part of their standard contract. First Service Management Company also does perform budget management in 80% of their communities.

Since the board liaison, Charles Dickinson, does not support the suggestion by his team members to go with the lowest bidder, it appears at this point that the motion submitted to the board will not be in favor of changing the management company unless the other committee members can find another board member to support their suggestion. Will the ACHOA Board and the Budget and Finance Committee recognize the benefit to the community and welcome the more cost effective, more comprehensive professional assistance in budget management and HR services offered by First Assistance?

The vote is scheduled for today November 3rd, during the next ACHOA board meeting. Will the decision be a surprise?