



**ARROWCREEK HOMEOWNERS' ASSOCIATION
ANNUAL MEETING OF THE MEMBERS, ELECTION &
BUDGET RATIFICATION MINUTES -Draft
DECEMBER 8, 2015**

CALLED TO ORDER/INTRODUCTIONS/ROLL CALL & QUORUM

The meeting was called to order by Sam Fox, President at 2:00 PM, at the ArrowCreek Resident's Club, 2900 ArrowCreek Parkway, Reno, Nevada. Neither a quorum of the membership, nor the board, was established. Eight owners signed in as present for the counting (see sign in sheet). A quorum is not necessary for the counting of the election ballots.

Ballot counting was conducted by Frank Anderson of McClintock Accountancy. The staff volunteers present to assist opening the ballots were: Rick Reyome, Nick Stransky and Brenda Rodriquez. Several homeowners were present to watch the counting (see sign-in sheet). There were many walk in ballots. The meeting was recessed. The ballots were opened and counted.

The meeting was re-called to order by Sam Fox, President at 5:35 PM at The Club at ArrowCreek, 2905 ArrowCreek Parkway, Reno, NV. S. Fox stated that the meeting will be recorded by the HOA. Again a quorum of the membership was not established. However there being no action items on the agenda, other than the approval of minutes, which per NRS116 does not require a quorum, the meeting continued for informational purposes and to announce the election results. Proof of notice of meeting was sent to all owners on November 11, 2015.

Board Members Present: Sam Fox, President
Robin Rakusin, Vice President
Charlie Dickinson, Secretary
Alan Liebman, Treasurer
Joyce Seelen, Director
Steven Elliott, Director

Board Members Absent: John Krisch, Director

Others Present: Jeanne Tarantino, PCAM, Associa Sierra North
Jeff Anderson, ArrowCreek Operations Manager
Rick Reyome, ArrowCreek Security Director

Owners Present: 40 homeowners signed in as present for the meeting

HOMEOWNER COMMENTS

None.

MINUTES

The Annual Homeowners Association Membership Meeting Minutes of December 9, 2014 were reviewed and approved as presented.

MOTION: R. Rakusin moved to approve the Annual HOA Membership Meeting Minutes of December 9, 2014. S. Elliott seconded. All in favor, the motion carried by unanimous vote.

FINANCIALS

RESULTS OF BUDGET RATIFICATION– The 2016 Operating and Reserve Budgets were formally ratified. Per Article II Section 6 of the ArrowCreek CC&Rs, unless at the meeting, 75% of all voting power of Owners rejects the budget, the budget is ratified whether or not a quorum is present.

FINANCIAL PRESENTATION – A. Liebman presented the 2016 Budget (the presentation was similar to the one given at the 11/3/15 board meeting) the total 2016 budget is \$2,840,976 (same as 2015). A change within the budget is the Capital Projects revenue. These funds have been re-directed into general operating, due to the facilities maintenance building being completed. The projected budget 2016 deficit will be funded by prior years' surplus. In addition an extra \$50,000 of operating cash will be transferred to the reserve. Of the \$218 per lot per month assessment, \$80 per lot per month will be contributed to the reserve. There were no questions.

REPORTS

ARROWCREEK COMMUNITY CLUB & GOLF UPDATE – By R. Kenny. The presentation is attached as Addendum A to these minutes. The topics covered: Upcoming Schedule of Events (information to be sent out and informational meetings to be planned), and Issues Being Discussed; Voting Process, Contingency Cost of Downsizing, and Alternatives for Handling the Contingency. R. Kenny recommended that the scheduling of events should be sent out to the owners as soon as possible so owners can plan.

PRESIDENT'S REPORT – By S. Fox. S. Fox thanked everyone for their time and efforts. There are no assessment increases at this time. Over the last year(s) the HOA has rebuilt the worst roads. In 2017 the last of the worst roads will be rebuilt. Walking paths were repaired in 2015. Per a survey taken this year, the most popular activity is walking and using the walk paths, so attention was placed there. A lot of work has been done by the ArrowCreek Community Club Committee (ACCC) pursuing HOA options with golf and evaluating and talking with people. A special thanks to Rich Kenny for putting so much information together. The Administrative Committee evaluated all the HOA vendor contracts and got bids for services. The ADRC was busy with lots of building; new homes and remodels of homes and landscaping. The ADRC works diligently to keep projects in the community in compliance with the ADRC Guidelines. The Communications Committee has generated a lot of work this year with the golf project. It has been challenging to get information out to the homeowners, and the Committee is looking at additional ways to enhance getting information out; video of meetings, updated website. The HOA has been reaping the benefits of the Safety Committee radar signs. The HOA has seen a dramatic decrease in speed throughout the community and violations are way down. Some work is still to be done on stop sign violations. The Safety Committee will be working on this. Congratulations to the Fuels Management Committee. They completed getting a \$76,000 grant to match HOA funds. The first phase of the fuels management will be completed this year. And work will continue and be ongoing. The Governing Documents Committee have been working hard to update the CCRs and Bylaws that govern the HOA that are outdated. They have put drafts out for owner comments, and the final documents will be voted on by the members. This was a very difficult project to complete with many hours spent. Thank you to the Budget Committee. This community is blessed with many volunteers who do a fantastic job with the finances, specifically Paul Burkett, Committee Chair.

GOVERNING DOCUMENTS COMMITTEE UPDATE – By R. Rakusin. The next committee meeting is scheduled for 12/14/15. The committee will go through the final homeowner input to finalize the draft documents. Final drafts will need to be approved by the board and then sent for owner vote.

OTHER COMMENTS - G. Pestello thanked the ACHOA board for all their hard work.

Break - Waiting for the completion of the ballot counting.

RESULTS OF THE ELECTION FOR BOARD OF DIRECTORS

Originally seven, and then six, candidates were on the ballot for three open board positions, each for a 2-year term: Mark Toomey, Bob Kirtley, Robin Rakusin, David Steele, Paul Burkett and Robert McDonald (John McGhee was on the ballot but asked that his name be removed as a candidate). A huge thank you to all the candidates who submitted their interest to run for the board.

The three new board members elected to serve through December 2017 are: Bob Kirtley, Robert McDonald and David Steele.

HOMEOWNER COMMENTS

None.

ADJOURNMENT

S. Fox moved to adjourn the Annual Homeowners' Association Membership Meeting. R. Rakusin seconded. All in favor, the motion carried by unanimous vote. The meeting adjourned at 6:50 PM.

Respectfully submitted by:

Jeanne Tarantino, PCAM
Associa Sierra North

Approved by:

Board Representative
ArrowCreek Homeowners Association



ArrowCreek Community Club Committee

ArrowCreek Annual Members Meeting - Minutes
December 8, 2015

ADDENDUM A

Committee Report

December 8, 2015



Proposed Schedule of Events

- December 16: Board meets to approve information packet for distribution.
- December 16: Board signs the Purchase Agreement. The Purchase and Lease agreements are conditioned on the affirmative vote of both the ACHOA and the FOA members.
- December 28-31: Information packet mailed to all homeowners.
- January 21-25: Informational meetings conducted at the Residents' Center.
- February 1: Ballot packages mailed to all homeowners.
- If approved: The HOA Board finalizes bank financing and then closes on the land purchase. At closing, the HOA will sign the Lease agreement.
- Recommendation: If the Board agrees with this schedule then it is recommended that you provide notice of same to all homeowners as soon as possible.



Issues Being Discussed

- Establishing and funding the contingent liability in the event the courses are downsized at a later date.
 - Generally agreed that the HOA will set aside \$80K by the end of 2017 in order to pay to keep the abandoned portion of the course green for 3-6 months.
 - Funding method remains to be determined (surplus vs assessment increase). Time period may also be in question.
- Vote target to determine the end of the voting process.
 - Plan is to solicit votes until we reach the target amount, at which time votes will be counted.
 - 800 to 850 votes is the current range; specific number needs to be determined.



Background Information



The Voting Process

- On or about February 1, 2016 ballot packages will be mailed to all HOA members. Return envelopes will be marked so that our accounting firm can track who has voted.
- Every two to three weeks reminders will be sent to all HOA members who have not yet voted.
- Once we have received ballots from 800 (?) HOA members we will instruct the accounting firm to count the votes.
- If, by the time of the April Board meeting, we have not yet received 800 (?) votes then the Board will determined next steps (count votes received, continue to solicit votes or ...).

Contingency Cost of Downsizing

- The proposed agreement provides for the possible downsizing of the golf course(s) from 36 to 27 or 18 holes. This can only be done if the FOA demonstrates financial necessity as verified by independent audit.
- In this event the FOA will be required to continue to water and maintain the abandoned property in a “dormant” state (green, but not manicured for golf) so that the HOA has time to determine the future use of the land. The HOA will pay FOA their cost for this service, not to exceed \$160K per 9 holes per year.
- The ACCC recommends that \$80K be set aside as a reserve to cover this contingency cost (18 holes for 3 months or 9 holes for 6 months).

Alternatives for Handling the Contingency

- Add to the HOA's Reserves. Under this alternative we would add a line item to the HOA Reserve Assets.
 - Pros. The money would be formally set aside. No action would be required from the Budget Committee or future Boards to insure that this contractual obligation is properly budgeted.
 - Cons. This is not a typical Reserve item since it is not an asset, per se, but rather a possible future expense. However, the expense does serve to protect the asset (the land) from going brown and losing value.
 - Financial impact to homeowners is TBD but likely less than \$2 per month until the “bottoms up” Reserve study in 2017.

Alternatives for Handling the Contingency

- Create an annual budget line item for the contingency cost. Under this alternative we would budget \$40K in 2016 and 2017 to build a “surplus” of \$80K for the contingency cost.
 - Pros. The kind of expenses involved (water, landscaping) are more closely associated with operating expenses.
 - Cons. If the Budget Committee and/or the Board fails to budget this amount and the Downsizing event occurs then the Board is put in the position of needing to enact a Special Assessment.
 - Financial impact to homeowners; \$3.10 per month increase in operating assessments for 2016 and 2017 assuming that the existing operating surplus is applied elsewhere.