

Transcription of Podcast 322: John MacDonnell

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SPEAKERS

John MacDonnell

Note: This transcription was computer-generated and may contain typographical errors.

John MacDonnell 00:10

Hello Sun City Shadow Hills, this is Big John, your board president. My podcast today is not about our election of three directors. And it's not intended to influence who you will decide to vote for amongst the six candidates who are seeking your support. As a resident, I have my favorites and will vote my preferences accordingly. But as your board president, I have an obligation to set the record straight when contentions are made by homeowners, and even candidates which are false, misleading, or convey an inaccurate picture. I am reminded of the same by Winston Churchill that goes something like this: "gossip, a rumor, or lie travels halfway around the world before the truth has a chance to get its pants on." I hesitated before deciding to do this podcast. But so many homeowners reached out to me and have been seeking clarification on certain issues, with some being fostered by a former board member who emailed his personal and I believe, totally questionable views, to all homeowners that I felt it necessary to attempt to put some things straight and hopefully prevent a further spread of a false sense of what is happening in our community.

John MacDonnell 01:28

As homeowners, you are entitled to factual information, not suppositions, not what ifs, not overly lengthy double talk and statements taken out of context. So let's review. First, let's talk about the Shadows restaurant. Last year, we homeowner subsidized to the tune of \$436,000. The largest subsidy ever. This means that for every \$100 in sales, it costs you \$140 to run the shadows. Even with all that there is clearly, to my mind and ear as your president, a substantial dissatisfaction within our community regarding the management and operation of our food services. It is part of the job of your board to make sure we all get the best bang for our buck possible, and investigating how things might be improved is a good thing. Continuing to approach the same issues the same way over and over, year after year, expecting different and better results is the definition of insanity. Especially when our restaurant is utilized with only about 25% of homeowners who go there at least once a month or more. Contrary to what some are contending. It was Troon itself, who first proposed a substantial budget cut in its projections for 2022. Their initial proposal was 20% cut, but the board felt the need to improve, Troon had to improve their overall management performance, and ultimately, the full board, yours truly, Johnny Goodrum, Moira McLeod-Foster, Fera Mostow, and Carey Thompson, all voted unanimously in the budget process, with the advice of the financial advisory committee to a 32% reduction, with emphasis on compensation, and a better management of time.

John MacDonnell 03:34

This was not done to cause Shadows to fail further, or to cut hours or days of service, but insist it'd be managed better and more efficiently for the benefit of all homeowners. If we continue, as Troon was proposing, it would be cheaper to send homeowners with a voucher to another restaurant down the street than to have them eat at the Shadows. As to any suggestions that the food and beverage committee had anything to do with setting the budget for the Shadows is total nonsense. And any former board officers should know that. Please recall that like all committees, it's an advisory committee of unelected volunteers. Its charter is to work to improve homeowners food and beverage experience. And the members of that committee have worked long and hard hours, offering suggestions and recommendations as to how that can be accomplished. The committee has now embarked on a fact finding mission with over 200 homeowners who have volunteered their time to come together in focus groups to get a sense of what the homeowners want, and how improvements can be accomplished. In the end, it's the homeowners who will decide if they want to change Shadows and not the food and beverage committee. So to be clear, the committee has no budget input and no power to make any change to the money that the board spends on Shadows. The committee did not review the proposed budget. The committee has no say so in staffing and how staff performs their jobs. The committee has no authority to spend funds on anything. The committee has no control over employee hiring, firing or their compensation. Only Troon has those abilities. Again, only Troon has those abilities in accordance with their contract with the HOA, which must be reviewed and renegotiated every year by your board. I assure you, there are no plans to expand or renovate the Shadows. Again, no plans to expand or renovate the Shadows restaurant, despite any candidate or email say. None. And no funds have been set aside. Specifically, or generally for that purpose. The rumor can be repeated over and over. But that doesn't make it so.

John MacDonnell 06:13

As to your HOA dues. Look at the number you are paying. It's simple. There's no big debate here needed. No analysis year over year, comparing apples with oranges. Your increase from last year was 5.1% from \$306 to \$309. And that includes the monthly costs for Frontier Internet wi-fi. It's a tiny increase. We live in a great community with many amenities and significant common areas, which are always in need of maintenance in the time of substantially higher prices for everything. And fortunately, we have many great and accomplished neighbors who are willing to volunteer their time and efforts to make our enjoyment of them better and as inexpensive as possible.

John MacDonnell 07:06

Okay, let's discuss the Capital Improvement Fund. Some have implied that there was improper action taken in creating the capital improvement fund account of one and a half million dollars, which was authorized by a unanimous vote by myself, Johnny Goodrum, Moira McLeod-Foster, Fera Mostow and Carey Thompson. This action was taken after due consideration during the October 2021 board meeting, which actually reduced the recommendation of the Financial Advisory Committee, which had suggested that we transfer as much as \$2 million from the surplus fund in our operating account. In addition to the financial advisory committee recommendations, the board considered the opinions of outside legal counsel, as well as the independent auditors. Could your board have decided to make a one time or monthly reduction in HOA dues? Yes, but that was not what the board decided would be in the best long term interest of the community. And that's the board's job. In our HOA, we have many wish lists, none of which are currently provided for in our budget or monthly assessments. For example,

more pickleball courts, increase Lifestyle offerings, and many others. And even more important our expenditures which we know are coming up and will be expensive. Your board, like all boards will always strive to avoid special assessments for any such necessity or required expenses, as well as other widely supported improvements in our community, which must be achieved with planning and proper budgeting, all of which are transparent.

John MacDonnell 08:53

What are some other potential uses of the Capital Improvement Fund? Well, there's always wish list that some groups of homeowners might favor or lobby for. The first part of the CVWD North Channel regional flood control project is already upon us. They are at work on our property at the corner of Jefferson and 40. This is not a surprise as it's been coming for some time. And although the timing could not be predicted with certainty, the way the government and major utilities operate, your boards and advisory committees have been monitoring the development for some time. And for those who were paying attention, its impacts both physical and financial, on our community are now upon us and the subject of comprehensive informational town halls last summer. Unfortunately, many did not pay attention. But your board did. Remember how long it took for the highway department to complete the Jefferson interchange. Well, it has taken a long time for us to have this project knock on our door. But it's now upon us.

John MacDonnell 10:02

We are forced by the CVWD, to participate in an extremely costly multi year rebuilding project here at Sun City Shadow Hills. This is a mandatory project. Let me repeat that a mandatory project, and we have to pay for much of what will be done here on our property to comply with the current floodplain standards. When CVWD completes its responsibility and tunnels under the Jefferson Street creating a spillway for potential future floodwaters from the west and reconstructing pond one, the rest as they say, will be up to us, and that expense will be that of our homeowners. Why do we have to pay? Simply put, when our developer Pulte made the deal for the land for Sun City Shadow Hills development, they agreed that a flood control channel would run through the property and the cost related would be our responsibility. We inherited it. We have no choice. Or, we could of course just let CVWD do its work, which it will pay for and then leave. And then not do the vital work to protect our property and cross our fingers and hope for the best. Or, we can take the appropriate actions to be able to channel the storm waters and floodwaters and debris, which will certainly visit us from time to time and take proper actions to protect the capital improvements we now enjoy. But we all know that's not an option. We will and must do the work to protect Sun City Shadow Hills.

John MacDonnell 11:42

Several have insisted that these costs would be borne by others such as FEMA, but that is not true. We will pay. And so far \$1.5 million has been set aside in the Capital Improvement Fund. Hopefully it will be enough and there will be something left over for other wish list items and future improvements. If some who contend money was better rebated to homeowners by temporarily lowering the HOA monthly dues had bothered to attend or watch the town hall meetings from July 2020, they would know these facts. It is true that on our property CVWD will be paying for the rebuilding of pond number one, which is at the corner of Jefferson and 40 at their cost. We will pay for all other flood control improvements along the proposed channel. These are very costly, and necessary improvements to protect the Jefferson Street

entry and roadway overpass over the North Channel to phases one and two. This alone would justify why we need the \$1.5 million capital improvement fund, because while it is called the capital improvement, it is also a capital preservation fund and in my mind, it is a necessity. Remember, the financial advisory committee reviews such expenses to determine if they should be paid from reserves, the operating fund or indeed the capital fund. Pond two, which is to the right of us as you drive out the Jefferson gate on the north side of the bridge, has to be completely removed. The pipes which supply water to the entire golf course needed to be rerouted from pond one to pond three. The pond will be filled in with dirt and covered with sod and new irrigation lines installed. And all of this is at our expense. Just the reconstruction of pond number two will cost approximately a quarter of a million dollars. This is a capital expense that will be funded from the Capital Improvement Fund. Additionally, we are also required to build a road from Avenue 40 into the North Channel for debris relief access vehicles on the occasion of a stormwater event. Those residents who have lived here for a while, know we already experienced stormwater events, some of which closed our south golf course for weeks. The additional estimated cost for that item is approximately \$150,000. These expenses will likely occur this year.

John MacDonnell 14:25

At a future date, the bridge at the Jefferson gate will need to be retrofitted at a substantial cost to protect it from being washed out and collapsing our entry road during a potential flood event. These costs would exceed \$1 million as currently and preliminarily estimated and these costs would also have to be funded from the Capital Improvement Fund if we have enough money in the fund at that time. Hopefully, all of the necessary expenditures will not require an additional assessment upon homeowners thus Given the surplus operating funds back to the homeowners at this time seemed imprudent to your board and would likely lead to unnecessary special assessment on homeowners. That is one of the reasons why the board voted five to zero to create this fund. No part of the fun has yet been spent. And nothing I repeat, nothing from the fund is earmarked to pay for any improvements and Shadows. Let me repeat that, again. No funds have been set aside or earmarked for any improvements at Shadows, nor to the completion of any projects which might be in the future considered and approved regarding the five acre parcel acquired from Pulte, despite what some homeowners have suggested.

John MacDonnell 15:52

Regarding the five acre parcel, I would point out that an ad hoc committee is still studying the potential uses of the five acre parcel north of phase three, and no recommendations have been made to the board on the use of that property. And no part, no part, of the Capital Improvement Fund has been earmarked for development of that property at this time.

John MacDonnell 16:16

As your president, I have always shared straightforward information with you. I hope this podcast clears up some misconceptions being bandied about the community which have arisen during this campaign, or which you may have heard about the Capital Improvement Fund. If you have any further questions, direct them to your HOA board or to me. Do not rely on misstatements, half truths, or rumors because the truth has put its pants on. Thank you.