

**BELLA VISTA VILLAGE PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
FEBRUARY 19, 2015 ° 6:30 P.M. ° BELLA VISTA COUNTRY CLUB**

BOARD MEMBERS PRESENT: Chairperson Charlie Teal, Vice Chairperson Brad Morris, Directors Bob Brooks, Joan Glubczynski, Ruth Hatcher, Linda Leffler, and John Nuttall.

BOARD MEMBERS ABSENT: Director Dave Barfield.

OTHERS PRESENT: General Manager Tommy Bailey, Director of Finance & Administration Dwain Mitchell, Staff Attorney Doug McCash, and Corporate Secretary Kathy Ferguson.

I. CALL TO ORDER

Chairperson Teal called the meeting to order at 6:30 p.m. There were 19 members in attendance, as well as two media representatives.

II. PLEDGE OF ALLEGIANCE

III. INVOCATION

Dwain Mitchell of the Bella Vista Village POA gave the invocation.

IV. ADDITIONS/DELETIONS TO THE AGENDA

Chairperson Teal said he had the proxy for Dave Barfield.

V. REPORT ON BOARD EXECUTIVE SESSIONS HELD ON JANUARY 20, 2015 AND FEBRUARY 12, 2015

Chairperson Teal said the Board met in Executive Session on January 20, 2015 to complete the review of the terms and provisions of the General Manager's employment agreement. He said the employment agreement, approved by the Board, was signed on January 29, 2015. The Chair said the employment agreement substantially decreases the base salary of the General Manager, provides for "employment at-will", outlines specific performance obligations, and provides for a reasonable severance payment in the event of a termination "not for cause". He said the Board believes this revised employment agreement is fair-minded and in the best interest of the members.

Chairperson Teal said the Board also met in Executive Session on February 12, 2015 to discuss the proposed lease agreement for the Highlands Clubhouse restaurant.

VI. APPROVAL OF BOARD MEETING MINUTES

Chairperson Teal asked for a motion to approve the minutes of the January 15, 2015, Regular Board Meeting.

Director Brooks moved the approval of the meeting minutes, seconded by Vice Chairperson Morris.

The motion passed unanimously with Chairperson Teal voting Director Barfield's proxy.

VII. TANYARD CREEK NATURAL STREAM BANK RESTORATION VIDEO

Chairperson Teal said there is work being done at Tanyard Creek to address flood damage that occurred in 2013. He said Darrell Bowman and Director John Nuttall put together a video to explain what is taking place, and showed the video.

Chairperson Teal asked Mr. Bailey to explain how this project came about and how it is being paid for.

Mr. Bailey said there have been numerous floods throughout the years at Tanyard Creek. He said natural stream design is fairly new technology and is based on the topography of the area in which you are located. The General Manager said it will hopefully be a long term fix for Tanyard Creek and said it is a preferred solution as opposed to using rip-rap. Mr. Bailey said we contracted with a local engineering company who could go out and get the grant money. He said all of our contribution towards this project at this time, is in kind through our labor and equipment. The General Manager said we have also been collecting trees with the roots attached for over a year for this project. Mr. Bailey said the total cost of this project is about \$225,000, and our contribution is about \$40,000 to \$50,000. He said the project is not complete, and said it will take a couple years for the vegetation to grow in. The General Manager said if we have another flood event before the vegetation roots, it will destroy some of the work that has been done.

VIII. GENERAL MANAGER'S REPORT

The General Manager presented his report for the month of January.

Director of Finance & Administration Dwain Mitchell reviewed the unaudited 2014 financials for the POA which showed a simple cash flow of positive \$236,000. He also reviewed the unaudited 2014 financials for the Water Utility which showed a simple cash flow of \$464,000.

Chairperson Teal noted there were 38 new property owners in January. He also pointed out there were 152 fulltime employees budgeted in 2015, but only 140 actual employees.

IX. RESPONSE TO PREVIOUS OPEN FORUM COMMENTS

Chairperson Teal said at last month's Board meeting there were many comments about the Highlands restaurant, and said they were addressed at that meeting or there were opportunities for people to ask additional questions at the meeting held on January 29 at the Highlands Clubhouse.

X. OPEN FORUM

One member said the people who live in the Metfield area have been saying they need a place to gather after golf, some level of food service but they know a full restaurant won't fly, a place for cards and other activities (including youth activities), and an exercise area. She said they would like to recommend putting in the snack bar associated with the pro shop and incorporating the Brittany Room, the little office, and associated hallway. The member encouraged the Board to move forward with gutting the kitchen and evaluate the space gained and make every effort to relocate the Membership Services Department. She said they should take advantage of Mike Hudgins' offer to help design the physical space as well as the operation plan. The member asked that they do it right the first time.

Chairperson Teal said there were several Board members at the Metfield Neighbors breakfast last Saturday. He asked if what she is saying is how most Metfield Neighbors feel.

The member said yes.

One member complained about the \$10 convenience fee that is charged to people who pay their annual golf fee in monthly payments. He said this seems excessive and unreasonable. The member asked why the Board is not charging a convenience fee to those paying their assessments and water bills by auto draft each month.

Director Brooks said in essence the annual golf fee is \$1,740 and if you pay up front it is discounted to \$1,600. He said the language used in our fee schedule did not adequately

explain that. Director Brooks said the golfing community has an outstanding value here and we are trying to encourage an annual payment rather than a monthly payment.

One member asked if the decision has been made to make the Highlands a full service restaurant.

Chairperson Teal said the Board will vote on that tonight.

The member asked if it is going to be a mixed menu restaurant.

The Chair said we do not know.

The member asked if a decision has been made to eliminate the cost share proposal for leasing the Highlands restaurant.

Chairperson Teal said no.

The member asked if any construction has actually begun at the Highlands.

Chairperson Teal said no.

The member asked if there is a timeframe in getting something decided for the Highlands.

Chairperson Teal said we want to make the right decision.

XI. OLD BUSINESS

A) Clubhouse Restaurants

Chairperson Teal asked the Board to discuss first the Metfield Clubhouse and asked Director Nuttall to speak about his sense of where we are at Metfield.

Director Nuttall said he and the Chair met with the Metfield Neighbors last Saturday and showed them the snack bar concept. He said they were supportive and said the comments made at the open forum tonight pretty well sums up their feelings on what is desired at the Metfield Clubhouse. Director Nuttall said they are ready to begin moving forward at that location.

Chairperson Teal said we need to decide next steps regarding the Metfield Clubhouse. He said the proposal for the quick service is something the Metfield Neighbors seem to support.

Mr. Bailey said we discussed for a number of years that the Metfield area could not sustain a full service restaurant but there was a need for some type of food service there. He said we had an architect give us a conceptual drawing and there are two ways of doing this, one with more modifications. The General Manager said utilities will have to be run to the golf shop area for the cooking equipment. Mr. Bailey said it was estimated nearly three years ago that it would be about \$10,000 for the equipment and about \$100,000 for relocating utilities and building modifications.

The Chair said he would entertain a motion to authorize the General Manager to obtain a new architectural design.

Mr. Bailey said we could probably get something fairly quickly.

Director Nuttall made a motion to ask staff to hire an architect to give an estimate, seconded by Vice Chairperson Morris.

Mr. McCash restated the motion: to authorize the General Manager and staff to hire an architect to get estimates and designs for ideas currently proposed for the Metfield restaurant.

The motion passed 7 to 1 with Director Leffler opposed and with Chairperson Teal voting Director Barfield's proxy in favor.

Chairperson Teal said we have heard from the membership at a meeting on January 29 that they would like the Board to consider a restaurant at the Highlands and said that is in process. He said he is hearing that they would like to know the Board's intent is to consider a full service restaurant rather than any other type of food service.

Vice Chairperson Morris made a motion that the Board continue to encourage management to seek a qualified lessee for a full service restaurant at the Highlands, seconded by Director Hatcher.

Director Leffler asked if there is a timeframe on this.

Chairperson Teal said we are actively looking at operators and said the expectation is that we would have someone selected in the next several months.

Director Glubczynski said we can't put a timeline on this if we are trying to make the right decision.

Mr. Bailey said ads will be published in ten major publications on March 1.

The motion passed 6 to 2 with Directors Brooks and Glubczynski opposed and with Chairperson Teal voting Director Barfield's proxy in favor.

Chairperson Teal said he understands there are some expenses at the Highlands and one of those was in the budget for 2015.

Mr. Bailey said the walk-in cooler was approved in the 2015 budget. He said the hood issue came up in October 2014 and said this has not been funded.

Chairperson Teal asked if we should allocate money for the hood or wait until we have an operator.

Director Hatcher said we should wait for an operator.

Mr. Bailey said he agreed completely.

Director Hatcher asked if it will take considerable time to get the equipment once we order it.

Mr. Bailey said it would.

The Board agreed to wait on funding the hood.

Chairperson Teal asked about the cleanup of the restaurant.

Mr. Bailey said he would not recommend cleaning the kitchen now unless we are going to use it.

Director Brooks asked if we should clean the kitchen if we would want to rent out the space.

Mr. Bailey said we generally have not allowed use of the kitchen because of the costs involved in cleaning it up afterwards.

Director Brooks asked if we could rent the space while looking for a restaurateur if a person was willing to pay for the cleanup afterwards.

Mr. Bailey said yes, but said the initial cleaning of the restaurant would be about \$3,000.

XII. NEW BUSINESS

A) Benton Washington Regional Public Water Authority Rate Increase

Mr. Bailey said Bella Vista has two water sources, one of which is the Benton Washington Regional Public Water Authority (BWRPWA). He said in 2014, one of the major pumps serving their southern area ran at 100 percent one out of every five days which is an increase from 14% of the time in 2013.

The General Manager said that the BWRPWA long range planning committee has reviewed this situation, and there are two options being brought forward. He said the engineering for the project will take until 2016, and said all the rate increase calculations have been done in a very conservative manner with no proposal for a rate increase in 2015. The General Manager said the water authority is also trying to get an upgrade in their S&P rating before issuing bonds.

Mr. Bailey said we would like to know how our Board would like us to vote. He said the Wildcat connection option is estimated at \$8 million which would translate into an estimated rate increase of 26 cents per 1,000 gallons. He said the parallel existing transmission system is estimated at \$15 million which would translate into an estimated rate increase of 48 cents per 1,000 gallons.

Mr. Bailey said realistically at some point in the future, both of these options will probably have to be done. He said the wildcat connection is the least expensive option but if our growth jumps back up, we will probably have to do both of these sooner than later.

The General Manager said the staff's recommendation is to go with the parallel line. He said this will not have an impact on Bella Vista Village's water rates. Mr. Bailey said we have been building up a cash reserve to address waterline replacement projects. He said we recently entered into an agreement with the University of Arkansas to take samples of our asbestos cement water lines to look at the structural integrity. The General Manager said because there are indications we may no longer need to do major water line replacements, we don't see this BWRPWA rate increase affecting our water rates.

Chairperson Teal said he would entertain a motion to direct the POA's representative on the BWRPWA Board to support one of the two options.

Vice Chairperson Morris made a motion to instruct our representative on the BWRPWA Board to support the parallel connection alternative based on the staff's recommendation at a cost of \$15 million, seconded by Director Nuttall.

The motion passed 7 to 1 with Director Leffler opposed and with Chairperson Teal voting Director Barfield's proxy in favor.

B) 2015 Board of Directors Petitioners and Lottery

Chairperson Teal introduced Election Committee Chairperson Bob Nelles.

Mr. Nelles announced he has notified the General Manager he is resigning from the Election Committee and Golf Committee for personal reasons. He said he has been grooming a replacement for the chair role on the Election Committee, Buddy Gray.

Mr. Nelles introduced the four Board candidates: Joshua Hart, Patrick Laury, Stephen McKee, and Ron Stratton.

Those candidates in attendance drew for their place on the Board election ballot.

The results were as follows:

Position #1 – Stephen McKee

Position #2 – Patrick Laury

Position #3 – Ron Stratton

Position #4 – Joshua Hart

C) Community Meeting

Chairperson Teal said we have been discussing a number of issues with the new City of Bella Vista administration, and said there is a joint City of Bella Vista/Property Owners Association community meeting on Tuesday, March 24, at 7 p.m. at Riordan Hall. He said we hope to promote that meeting over the next month and have a good turnout.

XIII. COMMITTEE REPORTS

A) Marketing & Communications Committee Report

Chairperson Teal said the Marketing & Communications Committee met on February 2 and heard a report from the Bella Vista Ambassadors. He said they have hosted 35 people since their inception, and five have become residents here. The Chair said the Ambassadors are also working with Susan Chambers of Wal-Mart, who is coordinating the company's hiring of military personnel, and said there is some effort to get a contribution towards the Ambassadors advertising in military magazines.

Chairperson Teal said we recently conducted a survey regarding *Insights*. He said of the 157 members who responded, 88 percent said they read *Insights* and 61 percent said they would read or refer to *Insights* more frequently if there was information regarding the City of Bella Vista included in the publication. The Chair said we are considering expanding the publication.

Director Brooks asked what the status is of moving forward with the association's marketing plan.

Chairperson Teal said it is a work in progress, and we will get more detail as we go into next month.

XIV. JOINT ADVISORY COMMITTEE REPORTS

Director Hatcher said the Golf Joint Advisory Committee heard that rounds were up for January. She said the Golf Expo was rescheduled to March 18, 4 to 6 p.m., and she said there will be golf group meetings before the Expo begins.

Director Brooks said the National Golf Course Superintendents Association is having their convention next week, and said the POA's Golf Course Maintenance Manager, Keith Ihms, is the president of this association.

Director Nuttall said the Lakes Committee produces a very strong volunteer effort. He said they work on numerous projects including monthly monitoring of water clarity, checking our parks, working on

two 50th anniversary projects, sinking numerous Christmas trees in January, and assisting with GRIP (Goose Reproduction Intervention Program).

XV. ANNOUNCEMENTS

- A) The next GM/Board meeting will be held on Thursday, March 5, 2015, 2:30 p.m. in the Country Club Board Meeting Room. (This is a closed discussion meeting.)
- B) The next Board of Director’s Work Session will be held on Thursday, March 12, 2015, at 8:00 a.m. in the Country Club Board Meeting Room.
- C) The next Board of Directors Regular Meeting will be held on Thursday, March 19, 2015, 6:30 p.m. in the Country Club Board Meeting Room.
- D) A Community Meeting will be held on Tuesday, March 24, 2015, 7:00 p.m. at Riordan Hall.

Director Brooks complimented the Membership Services Department for the quick service he experienced today.

XVI. ADJOURNMENT

Vice Chairperson Morris made a motion to adjourn, seconded by Director Glubczynski. The motion passed unanimously.

The meeting was adjourned at 8:10 p.m.

Submitted:

Approved:

Kathleen M. Ferguson, Corporate Secretary

Charlie Teal, POA Board Chairperson