

**BELLA VISTA VILLAGE PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
MAY 21, 2015 ° 6:30 P.M. ° BELLA VISTA COUNTRY CLUB**

BOARD MEMBERS PRESENT: Vice Chairperson Brad Morris, Directors Dave Barfield, Joan Glubczynski, Ruth Hatcher, and John Nuttall.

BOARD MEMBERS ABSENT: Chairperson Charlie Teal and Director Bob Brooks.

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

I. CALL TO ORDER

Vice Chairperson Morris called the meeting to order at 6:40 p.m. There were 14 members in attendance, as well as one media representative.

II. PLEDGE OF ALLEGIANCE

III. INVOCATION

Pastor Dale Schatz of the Heritage Baptist Church gave the invocation.

IV. ADDITIONS/DELETIONS TO THE AGENDA

Vice Chairperson Morris explained there were several people absent this evening. He said Chairperson Teal was out of state for a graduation; Mr. Bailey was attending to his ill father-in-law; and Director Brooks was recently hospitalized with kidney stones.

V. REPORT ON BOARD EXECUTIVE SESSION HELD ON APRIL 27, 2015

Vice Chairperson Morris said the Board had an Executive Session on April 27, 2015 to address the unauthorized disclosure of a preliminary draft of the General Manager's employment agreement. He said the Board considered the matter and communicated their conclusions to the General Manager, who has assured the Board that his concerns have been adequately addressed.

VI. APPROVAL OF BOARD MEETING MINUTES

Vice Chairperson Morris asked for a motion to approve the minutes of the April 16, 2015, Regular Board Meeting.

Director Nuttall moved the approval of the meeting minutes, seconded by Director Barfield.

Vice Chairperson Morris said Director Barfield holds the proxy for Director Brooks, and said he has the proxy for Chairperson Teal.

The motion passed unanimously with Vice Chairperson Morris voting Chairperson Teal's proxy and Director Barfield voting Director Brooks' proxy.

VII. GENERAL MANAGER'S REPORT

Dwain Mitchell reviewed the April 2015 YTD financials for the association. He also discussed the POA Cash Reserve Assessment as of April 30, 2015, which showed the available cash balance of \$10,321,700 (Water Utility: \$4,832,600 and POA: \$5,489,100).

VIII. RESPONSE TO PREVIOUS OPEN FORUM COMMENTS

Vice Chairperson Morris reviewed the open forum comments made at the previous Board meeting. He said a member requested assistance to make use of the Highlands Clubhouse for a celebration of life for her husband, and he said the POA staff worked with the Friends of the Highlands to make this

event possible without additional cost to the association. Vice Chairperson Morris said another member voiced his opinion regarding the need for a public school district in Bella Vista and how the POA could facilitate that process. He said a third member encouraged the Board to evaluate different locations for Membership Services to maximize space available for member recreational use, and said that feedback was taken into consideration and we will be discussing this further later during this meeting. Vice Chairperson Morris said another member asked several specific questions regarding operational and financial matters of the POA and those were answered at last month's meeting.

IX. OPEN FORUM

One member asked some questions about the assets held for sale listed on the association's balance sheet, which were answered by the Board and POA staff.

One member mentioned several concerns with the POA's property swap with Cooper Communities for the land near Dogwood Drive.

X. OLD BUSINESS

A) Clubhouse Restaurants

Vice Chairperson Morris said over the last several months, POA management has been working to lease the Highlands restaurant. He said a lease has been agreed to by the new operator and POA management, and said that lease will be reviewed for approval at the June Board meeting. Vice Chairperson Morris said the association now needs to complete the planned repairs/replacements of two pieces of equipment at the Highlands kitchen. He said one is the purchase of the walk-in cooler for approximately \$18,000 which was included in the 2015 budget, and the other is replacement of a grill hood for approximately \$34,000 and said there were no funds in the budget for this. Vice Chairperson Morris said the Board needs to consider this unbudgeted expenditure with funds coming from reserves.

Director Hatcher made a motion to replace the grill hood at a cost of \$34,000 to come from reserves, seconded by Director Barfield.

Director Barfield asked if we are authorizing this expenditure contingent on execution of the contract with the lessee.

Vice Chairperson Morris said the intention of the Board was not to expend these funds unless the lessee has signed the contract and the Board has authorized the management to sign the contract.

Mr. McCash restated the motion: to replace the grill hood for the Highlands restaurant at a cost of \$34,000 to come from reserves, contingent on entering into a lease agreement with the lessee.

The motion passed 6 to 1 with Director Glubczynski opposed and with Director Barfield voting Director Brooks' proxy and Vice Chairperson Morris voting Chairperson Teal's proxy.

Mr. Dwain Mitchell then presented the design concept for the Metfield Clubhouse remodel. He said the architect's construction estimate before bids is \$129,000 for the snack bar and \$183,000 for the Membership Services Department relocation. Mr. Mitchell explained the Board already approved \$14,000 for the architect fees, leaving \$298,000 requiring Board approval.

Director Barfield asked if we could do some of the work in house to save money.

Mr. Mitchell said that will depend on how quickly the renovation needs to be completed.

Vice Chairperson Morris said he understands management needs the Board to give them the blessing that this is the design the Board wants to go forward with, realizing these are the architect's cost estimates and not firm bids.

Mr. Mitchell said yes.

The Board was in consensus to move forward with the proposed design presented by Mr. Mitchell to prepare bid documents and see where the final numbers roll out.

Vice Chairperson Morris said it will take another vote of the Board before letting any contracts.

B) Branchwood Design Costs

Vice Chairperson Morris said we have received a formal report from Alta Planning & Design regarding suggested options for redevelopment of the grounds around the Branchwood complex. He said the Alta report has suggested an eight-foot wide concrete walking trail be a key component of the development effort. Vice Chairperson Morris said the report also suggests other significant improvements for the Branchwood acreage that would be developed as funds permit.

Vice Chairperson Morris said the Board has considered the trail recommendation along with significant feedback from members who have been involved with this for several months, and said the Board agrees the first phase of the Branchwood redevelopment should be construction of the walking trail. He said the next step would be to engage Alta Planning to develop detailed design and construction drawings for the specific trail location, and said they have estimated the total construction costs for this eight-foot wide, 1.6 mile trail at \$300,000, but said it is possible some of the work could be done in-house at a cost savings. Vice Chairperson Morris said Alta Planning has provided an estimate of \$33,000 for the completion of the necessary detailed design and construction drawings for the trail. He said the 2015 budget includes \$150,000 for Branchwood redevelopment costs and said there is also \$550,000 in restricted reserves for Branchwood redevelopment. Vice Chairperson Morris said the Board needs to approve this expenditure not to exceed \$33,000 for the design work prior to the construction of the trail.

Director Glubczynski asked if the \$33,000 expenditure is just for the trail design.

Vice Chairperson Morris said yes.

Director Nuttall made a motion to approve \$33,000 for design fees for Alta to do phase one of the Branchwood redevelopment, seconded by Director Glubczynski. The motion passed unanimously with Vice Chairperson Morris voting Chairperson Teal's proxy and Director Barfield voting Director Brooks' proxy.

C) Berksdale #18 Bridge

Vice Chairperson Morris said for over a year, the Board and staff have had many concerns about the safety and long-term viability of the Berksdale #18 bridge, and said there have been discussions about the bridge's deteriorating condition and its susceptibility to additional and potentially catastrophic damage in the event of another serious flood. He said management is requesting the Board approve an expenditure of \$39,000 for the development of detailed engineering and permitting documents and necessary bid documents for the construction of a new bridge. Vice Chairperson Morris said this was not included in the 2015 budget, so funds would come from reserves.

Director Hatcher made a motion to approve \$39,000 from reserves for the Berksdale #18 bridge, seconded by Director Nuttall.

Director Hatcher said it is critical we do this now rather than wait until we have to do it and have to potentially close the Berksdale golf course for a year while a new bridge is designed, constructed and installed.

Director Nuttall said when the bridge fails it will be a catastrophic failure, and said we should be proactive before we lose one of our best assets.

The motion passed unanimously with Vice Chairperson Morris voting Chairperson Teal's proxy and Director Barfield voting Director Brooks' proxy.

XI. NEW BUSINESS

A) Bella Vista Foundation Letter of Agreement

Vice Chairperson Morris said the Bella Vista Foundation has been working closely with Alta Planning & Design to develop a community wide trail system. He said the process was formally concluded in the spring when Alta Planning & Design submitted a comprehensive master trails and greenway plan to the Foundation. Vice Chairperson Morris said the City of Bella Vista has formally voted to adopt this plan and support it in their future planning and construction of trails in the City. He said the Bella Vista Foundation is asking for similar formal action on the part of the POA Board. Vice Chairperson Morris said the Board needs to take formal action to authorize the General Manager to sign this letter of agreement with the Bella Vista Foundation.

Director Barfield clarified that the motion will not authorize the hiring of any additional staff.

Vice Chairperson Morris said the letter says the POA agrees in concept with the need for a trail coordinator but does not specify when the coordinator would be hired.

Director Nuttall pointed out that in the Greenplay study conducted a couple years ago, trails were the most requested amenity.

Director Nuttall made a motion to authorize the General Manager to sign the letter of agreement with the Bella Vista Foundation to support the Bella Vista Master Trail Plan, seconded by Director Glubczynski.

The motion passed unanimously with Vice Chairperson Morris voting Chairperson Teal's proxy and Director Barfield voting Director Brooks' proxy.

B) Fee Schedule Revision

Vice Chairperson Morris said the Board has had discussions with staff regarding two potential fee changes. He said one change is reinstating the stump dump fee that was waived in 2014, and said staff is encouraging the Board to consider reinstating this fee due to the stump dump operating costs that are incurred and cleaning up the impact of illegal dumping. Vice Chairperson Morris said the staff is also asking for a slight modification to the family season pass to the outdoor pools, changing the definition of a family from five members to six members. He said this definition is used by other communities, and said the staff recommends this take place immediately if approved by the Board.

Director Nuttall said we should consider each issue separately.

Director Barfield suggested we be more specific on agenda items, and said we should have listed each of the proposed fee changes on the agenda.

Director Glubczynski asked if staff is recommending the stump dump fee be reinstated at the rate it was before.

Vice Chairperson Morris said he understands staff is suggesting the stump dump fee be reinstated at approximately the same rate it was before (\$635). He said he was part of discussions with local builders several months ago, and said the feedback was that the cost is not the determination to build in Bella Vista as much as the convenience and efficiency of dealing with our organizations. Vice Chairperson Morris recommended we not reinstate the fee until January 1, 2016.

Director Hatcher said we should put the builders on notice now.

Director Nuttall said he wanted to structure the motion to reflect that the fee will be effective in January. He made a motion to reinstate the stump dump fee effective January 1, 2016 and said the amount will be determined in the 2016 budget discussions, seconded by Director Hatcher.

Director Barfield said this was announced to the Board last month in the context of the POA having illegal dumping that we need to take care of. He said the Board has not had time to research what is going on. Director Barfield said it is clear the fee for the stump dump won't come close to paying for the operation of the stump dump. He said he asked Chief Farmer about the frequency of illegal dumping at the stump dump and was told there was only one incident reported to the Police Department in 18 months. Director Barfield said reinstating the stump dump fee won't deter illegal dumping, and said we should not reinstate the fee so soon after we waived it to encourage building.

The motion passed 6 to 1 with Director Glubczynski opposed and with Vice Chairperson Morris voting Chairperson Teal's proxy and Director Barfield voting Director Brooks' proxy.

Director Glubczynski made a motion to expand the definition of a family to six members for the outdoor pool passes, seconded by Director Barfield.

The motion passed unanimously with Vice Chairperson Morris voting Chairperson Teal's proxy and Director Barfield voting Director Brooks' proxy.

C) Golf Maintenance Staffing

Mr. Keith Ihms, Golf Course Maintenance Manager, said he is going through his second summer of hiring seasonal workers. He said we have four full-time staff at each golf course which includes the superintendent and assistant superintendent, and said we are now eight short of having all of the seasonal positions filled. Mr. Ihms said this greatly affects the course conditions, and he suggested we make one part time position at each golf course a full time position, stating this should make the position easier to fill and will also increase our efficiencies. He suggested the Board also reinstate the Metfield full time position that was removed in 2012.

Director Barfield said adding any fulltime people is a hard sell to the membership right now.

Vice Chairperson Morris asked if the Board is hurting or helping the situation if they approve this for 2015 but cannot guarantee the positions will be approved again in the 2016 budget.

Mr. Ihms said he would hate to hire fulltime people now and not be sure of the funding for 2016.

Director Glubczynski asked if there would be any happy medium that would help him a little.

Mr. Ihms said if he could leave this meeting with the Metfield position filled, he would be happy.

Director Glubczynski asked if Mr. Ihms can hire quality people for the amount of money suggested, and he said yes.

Director Barfield said he feels blindsided by this and said the Board needs more time to discuss this and consider other options. He said he is flabbergasted we are even talking about adding more employees a short time after we make a case we are going bankrupt and need an assessment increase.

Mr. Ihms said he would be happy to look at other options. He said one thing they have done is close each golf course one day per week to enable maintenance personnel full access to the course, thus dramatically increasing their efficiency in completing necessary mowing and related maintenance activities.

Director Glubczynski said this is a significant issue and said the Board should see other alternatives.

Mr. Ihms said if it takes the whole year to get this approved, that would be okay, but he warned that there could be some rough spots this summer if we are not staffed.

Director Nuttall said his thought when the Board heard about this issue at the work session was that this was a plan that Mr. Ihms and Mr. Mar had worked on for quite some time.

Mr. Ihms said he has been working on this staffing issue with Mr. Bailey, and said he had been instructed to discuss some of his ideas with the Golf Joint Advisory Committee last week.

Director Hatcher made a motion to reinstate the Metfield full-time position and table the other positions until the Board can discuss it further, seconded by Director Nuttall.

Vice Chairperson Morris asked the Board if there is information they need to hear from the General Manager or Mr. Ihms regarding this matter.

Mr. McCash asked if the funding for the Metfield position was to come out of this year's budget.

Vice Chairperson Morris said his understanding is that the reinstatement of the fulltime Metfield position would be a modification of the budget and would come out of reserves.

Mr. Ihms clarified that some of his labor savings year-to-date would cover part of this.

Mr. McCash restated the motion: to fund one fulltime golf maintenance position earmarked for Metfield which would come partially from reserves.

The motion passed 5 to 1 with Director Barfield opposed and with him voting Director Brooks' proxy in abstention and with Vice Chairperson Morris voting Chairperson Teal's proxy in favor.

The Board said they want to discuss this issue further at the June Work Session, and Vice Chairperson Morris said we should ask management whatever questions we might have in advance.

XII. COMMITTEE REPORTS

A) Audit Committee Report

Vice Chairperson Morris said the Audit Committee members (he and Chairperson Teal) met with the independent auditors, POA Director of Finance Dwain Mitchell, and POA Controller Jan Shackelford at the conclusion of the audit. He said the auditors had no concerns, and we were issued an unqualified opinion on the financial statements.

B) Marketing & Communications Committee Report

Director Hatcher said at the last Marketing & Communications Committee meeting, the Bella Vista Ambassadors had requested help with an ad in the *Military Times* magazine. She said we told the Ambassadors this was not in our best interest at this time. Director Hatcher said Ashlee Napier, POA Marketing Manager, also told the Committee that 2,132 business reply cards had come back from *The Village Voice*, which is about 8.7 percent of the total sent, and of those, only eight percent opted to not receive *The Village Voice*.

C) Rules and Regulations Committee Report

Staff Attorney Doug McCash said the Rules and Regulations Committee discussed making changes to the Bylaws that allow for electronic voting, and presented the changes for second reading.

The motion passed unanimously with Vice Chairperson Morris voting Chairperson Teal's proxy and with Director Barfield voting Director Brooks' proxy.

Mr. McCash said Policy 2.07 (Regulation of Common Property – Cutting Trees) was drafted in response to us having a number of people cutting down trees on Common Property and presented it for a first reading.

The motion passed unanimously with Vice Chairperson Morris voting Chairperson Teal's proxy and with Director Barfield voting Director Brooks' proxy.

XIII. JOINT ADVISORY COMMITTEE REPORTS

Director Hatcher said the Golf Joint Advisory Committee discussed a course enhancement project at Scotsdale. The materials for the project were paid for by Richard and Anne Marie Steeneck, with the work being done by the Lads and Lassies of Scotsdale. She said the work accomplished is quite impressive.

Director Nuttall said the Lakes Committee met yesterday and said there are plans for the 50th anniversary including a fishing derby for kids. He said they also talked about the problems caused when people dump leaves into the lakes. Director Nuttall said the committee also discussed the increasing number of geese.

Director Barfield said the Recreation Committee was asked to put a white paper together to help the Board increase member usage of our amenities. He said they had more discussions about the deplorable condition of the tennis and pickleball courts.

XIV. ANNOUNCEMENTS

- A) The next GM/Board meeting will be held on Thursday, June 4, 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, June 11, 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, June 18, 2015, 6:30 p.m. in the Country Club Board Meeting Room.

XV. ADJOURNMENT

Director Hatcher made a motion to adjourn, seconded by Director Nuttall. The motion passed unanimously with Vice Chairperson Morris voting Chairperson Teal's proxy and with Director Barfield voting Director Brooks' proxy.

The meeting was adjourned at 8:32 p.m.

Submitted:

Kathleen M. Ferguson, Corporate Secretary

Approved:

Brad Morris, POA Board Vice Chairperson