

BELLA VISTA VILLAGE PROPERTY OWNERS ASSOCIATION

BOARD OF DIRECTORS MEETING

May 19, 2016 ° 6:30 P.M. ° BELLA VISTA COUNTRY CLUB

BOARD MEMBERS PRESENT: Vice Chairperson Brad Morris, Directors Bruce Portillo, Ruth Hatcher, John Nuttall, Patrick Laury, Josh Hart and Ron Stratton.

BOARD MEMBERS ABSENT: Chairperson Bob Brooks.

OTHERS PRESENT: Chief Operating Officer Tom Judson, Treasurer & Director of Finance & Administration Dwain Mitchell, General Counsel Doug McCash, and Corporate Secretary Genevieve Henderson.

I. CALL TO ORDER

Vice Chairperson Morris called the meeting to order at 6:30 p.m. There were twenty members in attendance, as well as four media representatives.

II. PLEDGE OF ALLEGIANCE

III. INVOCATION

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

IV. ADDITIONS/DELETIONS TO THE AGENDA

Vice Chairperson Morris stated that there was one proxy for the current meeting. Chairperson Bob Brooks has given his proxy to Director Stratton.

Vice Chairperson Morris stated that Andrew Davis was elected as a new Board Director, but his term will not begin until June 1, 2016.

Vice Chairperson Morris stated that The Weekly Vista published an incorrect headline yesterday which confused the City's attorney with the POA's attorney. Next week's edition will have a correction regarding this.

Vice Chairperson Morris stated that a motion for requesting a liquor permit at Scotsdale will be added to the Agenda under New Business.

V. APPROVAL OF BOARD MEETING MINUTES

Vice Chairperson Morris asked for a motion to approve the minutes of the April 21, 2016, Regular Board Meeting.

Director Laury moved the approval of the meeting minutes, seconded by Director Hatcher. Vice Chairperson Morris presented the minutes for discussion. There was none.

The motion passed unanimously.

VI. EMPLOYEE RECOGNITION – CELEBRATING SUCCESS

Glenda Sue Morris from the Human Resources Department introduced 4 employees by the names of Cathy Bernthal from Accounting, Brian Hatfield from Golf Maintenance, David Fletcher from Water Services, and Ray Petit from IT. Mr. Judson presented each of these four employees with \$100 checks in appreciation and recognition of their hard work.

VII. FINANCIAL REPORT BY DWAIN MITCHELL, TREASURER

Treasurer Dwain Mitchell gave a report on the year-to-date financial reports for April 2016. Assessments were worse than budget by \$285,078. Golf fees were \$239,436 worse than budget, but

the numbers were better than 2015. RV park and storage were \$21,498 better than budget. Recreation, facility use fees, and photo IDs were better than budget by \$36,359. Boat registrations were below budget by \$48,391, but the numbers were \$8,000 better than 2015. Investment income was \$213,211 better than budget. Lot sales were \$23,000 worse than budget. Transfer and research fees were \$51,664 worse than budget. Total income was worse than budget by \$434,885. Cost of sales was worse than budget by \$5,704. Gross profit was \$440,722 worse than budget. Salary and wages were better than budget by \$304,127. Employee benefits were better than budget by \$26,083. Fuel and oil costs were \$34,005 better than budget. Professional services were \$25,121 worse than budget. Postage was worse than budget by \$20,995. Bad debts were \$97,194 better than budget. Total expenses for the POA were \$461,101 better than budget. Net income was \$33,252 better than budget. Capital projects were \$29,876 worse than budget. Simple cash flow was \$136,374 better than budget. Water investment income was better than budget by \$99,962. Water's sales were \$84,000 better than budget. Total income on Water was \$237,779 better than budget. Water's gross profit was \$177,757 better than budget. Water's salary and wages were \$40,340 better than budget. Water's total expenses were better than budget by \$35,208. Water's simple cash flow was \$216,116 better than budget.

VIII. RESPONSE TO PREVIOUS OPEN FORUM COMMENTS

Vice Chairperson Morris reviewed the open forum comments made at the previous Board meeting.

IX. OPEN FORUM

None.

X. JOINT ADVISORY COMMITTEE REPORTS

John Doyle, the Chairman of the Lakes JAC Committee, reported that the lake rangers' boats were receiving some much needed maintenance. Weed control is being done on the dams. Three committee members are volunteering to serve shorter terms this year to create a better term schedule for the Committee. The Committee is focusing on how to increase the utilization of the lakes by the membership.

Judy Griffin reported on behalf of the Recreation JAC Committee and reported that the construction on the gun range's berms is completed. The tennis schedule is filling up for the summer. Loch Lomond's dog park is re-opened, and because non-members are visiting the park, signs are being ordered to inform the public that the park is for members only. Pickelball courts are being repaired. The Committee is reviewing the need to fence in the playground facility. Tanyard Creek will have no-parking signs in the residential areas. Branchwood Trail will be open hopefully in June. The Committee is helping plan Phase II of Branchwood Trail. The Committee is discussing recommended plans for 2017 and strategic plans for the future. Mr. Judson reported that there may be problems with the relocation of the building for the gun range.

Susan Nuttall reported on behalf of the Golf JAC Committee and said that the assistant at Berksdale Wendy is working to get the POA certified with the Audubon Cooperative Sanctuary Program for golf courses. Junior golf clinics start next week and have had good responses. The project for non-members to be able to reserve tee times online has been finished by the IT department. John Walsh is working on the ads for the LPGA tournament. The greens subcommittee reviewed the tee boxes, which are all in good shape. Work on Scotsdale has begun. Golf course volunteers gave reports on Scotsdale and Highlands. The Committee decided unanimously not to allow bicycles on the cartpath for safety concerns and other reasons. The Committee will try to get their 2017 budget requests in by July. Director Hatcher said tournaments were being held to raise money for special golf projects. Vice Chairperson Morris mentioned that these Committee meetings are open to the public.

XI. OLD BUSINESS

A) Policy 3.09 – This adjustment to the Policy would change the threshold as to when water service is suspended from \$200 (approximately eight months) to 60 days past due. Second and Final Reading.

Vice Chairperson Morris introduced and summarized the proposed changes to Policy 3.09.

Director Nuttall motioned to approve the proposed changes, seconded by Director Hart.

Vice Chairperson Morris presented the proposed changes for discussion. Vice Chairperson Morris clarified the proposed changes further.

The motion passed unanimously.

B) Policy 7.05 – This adjustment to the Policy would clarify the distinction between fees requiring prior approval by the Board of Directors, and special promotional rates and other fees not requiring prior approval by the Board of Directors. Second and Final Reading.

Vice Chairperson Morris introduced and summarized the proposed changes to Policy 7.05.

Director Laury motioned to approve the proposed changes, seconded by Director Hatcher.

Vice Chairperson presented the proposed changes for discussion. There was none.

The motion passed unanimously.

XII. NEW BUSINESS

A) Yacht Club Renovation Presentation.

Mr. Judson and Tommy Lee, Director of Business Development, introduced and presented the Yacht Club Renovation Presentation.

Vice Chairperson Morris presented the renovations to the Yacht Club for discussion.

Director Laury asked to know the projected opening. Mr. Judson responded with “March 2017.”

Vice Chairperson Morris motioned to approve the expenditure of \$1,338,802 for the renovation of the Yacht Club and to hire Kinco Construction to serve as the construction management company on this project, seconded by Director Nuttall.

Director Hatcher mentioned that Kinco Construction was the original construction company that built the Yacht Club.

The motion passed unanimously.

Vice Chairperson Morris motioned to waive the three bid requirement for hiring of Kinco Construction to serve as the construction management company, but all subcontracted work contracted through Kinco Construction will require three competitive bids per POA policy, seconded by Director Nuttall.

The motion passed unanimously.

Mr. Judson added that he and Tommy Lee intend to give the membership guided tours of the location during the construction project.

B) Capital approval request for irrigation pump at Brittany and waiver request on three bid requirement.

Vice Chairperson Morris introduced and summarized the capital approval request and waiver request.

Vice Chairperson Morris motioned to grant Management the authority to move forward with the repair of the irrigation pump at Brittany at an estimated cost of \$27,587.29 and waives the requirement of getting three bids, seconded by Director Hatcher.

Vice Chairperson Morris presented the capital approval request and waiver request for discussion. Vice Chairperson Morris said that the estimated cost of \$27,587.29 is the worst case scenario if the pump and motor are both out.

The motion passed unanimously.

C) Request for approval to hire an architecture firm to develop building plans and waiver on three bid requirement.

Mr. Judson introduced and presented the request for approval to hire an architecture firm for \$62,150 to develop architecture plans and project cost estimates for a few POA owned buildings and waiver on the three bid requirement.

Vice Chairperson Morris motioned to grant Management the authority to move forward with the hiring of SCM Architecture and Kinco Construction for a combined cost of \$62,150 for the development of architecture plans and project cost estimates for a few POA owned buildings, and waiving the three bid requirement, seconded by Director Nuttall.

Vice Chairperson Morris presented the motion for discussion. There was none.

The motion passed unanimously.

D) Scotsdale liquor license permit proposal

Mr. McCash introduced and presented the request for approval to submit an application for a beer/wine/liquor license for Scotsdale.

Vice Chairperson Morris moved to approve the submission for an application for an alcohol permit to serve beer, wine, and liquor at the Scotsdale Golf Club, seconded by Director Hatcher.

Vice Chairperson Morris presented the motion for discussion. Mr. Laury asked why the motion is being limited to Scotsdale and asked if it could be extended. Mr. Judson replied that the staff is working on permits for the others, but he said that this license was more time sensitive for Scotsdale. It was also added that the other locations must be motioned for separately.

The motion passed unanimously.

E) Change in timing of Rules & Regulations Committee Meetings.

Vice Chairperson Morris reported that the Committee will be meeting on the Monday following the first Thursday of the month. Director Laury clarified the reason for moving the Committee meetings.

XI. ANNOUNCEMENTS

- A) COO/Board Meeting – Thursday, June 2, 2016, 2:30 p.m. in the Country Club Board Meeting Room. (This is a closed discussion meeting).
- B) Board of Directors Work Session – Wednesday, June 8, 2016, 8:00 a.m. in the Country Club Board Meeting Room.
- C) Board of Directors Regular Meeting - Thursday, June 16, 2016, 6:30 p.m. in the Country Club Board Meeting Room.

XII. ADJOURNMENT

Vice Chairperson Morris adjourned the meeting at 7:38 p.m.

Submitted:

Approved:

Genevieve Henderson, Corporate Secretary

Brad Morris, POA Vice Chairperson