

BELLA VISTA VILLAGE PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
May 18, 2017 6:30 P.M. BELLA VISTA COUNTRY CLUB

BOARD MEMBERS PRESENT: Chairperson Bob Brooks, Directors Bruce Portillo, Patrick Laury, Ruth Hatcher, John Nuttall, and Jim Abrahamson.

BOARD MEMBERS VIA TELEPHONE: None.

BOARD MEMBERS ABSENT: Director Andrew Davis and Vice Chairperson Ron Stratton.

PROXY: Director Laury holds the proxy for Director Stratton.

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

I. CALL TO ORDER

Chairperson Brooks called the meeting to order at 6:30 p.m. There were 56 members in attendance, as well as one media representative.

II. PLEDGE OF ALLEGIANCE

III. EMPLOYEE RECOGNITION – CELEBRATING SUCCESS

Kyndall Ardoin, Corporate Secretary, introduced the Association's May recipients of the Celebrating Success program. Chris Fuller, John Urquhart, Donald Morris, Thomas Golden, and Leah Ring were recognized for their customer service.

V. DISCUSSION REGARDING THE EXTENSIVE DAMAGE TO BERKSDALE GOLF COURSE

Director of Golf Maintenance, Keith Ihms, and Mr. Judson presented the damage that had been caused by the recent flooding. Mr. Judson informed those in attendance that a special Coffee and Questions session had been held regarding the issue and that this topic was discussed at the recent annual meeting held on Tuesday, May 16th with approximately 60 property owners in attendance.

Mr. Ihms stated that Berksdale had sustained an estimated \$540,000 in damage. The four major areas of concern presented included the creek bank repairs to #12 and #13, the loss of land to the right of #18 green, and the #3 tee/#2 green area. Mr. Ihms took questions from the members present.

A member asked Mr. Ihms if he had contacted the state highway department for assistance. Mr. Ihms responded that he spoke with the highway department after the 2015 flood and the department told him that it was not their responsibility. He stated that he has not spoken with the department since this year's flood, but he plans on speaking with them soon.

A member stated that Berksdale is the first impression that people see when they drive into Bella Vista. He asked the Board to rethink closing the course. Chairperson Brooks responded that the Board wants to get the facts before formulating a plan to close or repurpose Berksdale and that all residents will be given an opportunity to provide their input.

A member encouraged the Board and Management to seek political support from Bentonville and Rogers to ask the government for a grant to pay for the study on how to solve the issue of the flooding.

A member stated that there are concerns that a domino effect on closing courses would ensue if Berksdale were to be closed. Mr. Judson stated that a hydrological study will be done in order to develop a long-term plan for Berksdale and the other river courses that are affected by heavy flooding. Mr. Judson stated that Management will “moth ball” (maintain at a minimum level) Berksdale until the study has been conducted. Once the study has been completed, the Board will seek community input before a final decision is reached. The Board of Directors will then be tasked with deciding based on the facts presented.

Mr. Judson stated that Berksdale is the 3rd most profitable course in Bella Vista. Scotsdale is in 4th but gaining rapidly. Mr. Judson stated that the proposed \$540,000 is to get Berksdale operational, but will not guarantee that the next flood will not cost the same amount or more. Mr. Judson clarified Mr. Ihm’s report stating that previous work to Berksdale from past floods have withstood the recent flood, but the damage then goes down stream and hits the next area. Mr. Judson stated the regularity of the floods has increased as a result of the population growth upstream.

A member asked Management to keep in mind that repurposing Berksdale into a park would carry the same responsibility and liability as maintaining it as a golf course. He asked the Board to allow a membership vote on the matter of repurposing. Chairperson Brooks stated that no decision would be made until all the facts, which include the financials of both maintaining a park vs a golf course, had been presented.

A member stated that Management should fix what they can now and evaluate what can be done for the long-term solution.

Chairperson Brooks reiterated that when the Board of Directors has the facts of the situation they will be presented to the membership and input will be sought.

A member stated that he supported the Board’s decision to have the hydrological study done to ensure the safety of Kingswood and the Country Club.

A member asked if Management could open 9 holes at Berksdale to take some of the pressure off the other courses. Mr. Ihms stated that he and Mr. Phillip Wright, Director of Golf Operations, are looking at a plan for such a request early in the next week.

A member stated that closing Berksdale would eliminate the possibility of 36-hole tournament play.

Mr. Judson clarified the Board would not be voting on the future of Berksdale at this meeting, but they would take a vote on purchasing the proposed Cooper Communities parcels that are currently under lease.

A member suggested changing the layout of the course. Chairperson Brooks stated that the layout of Berksdale was changed after the 2015 flood.

A member asked how much money the Association has in reserves. Chairperson Brooks stated the Association has \$4.7 million is available and not committed. A member stated if the Association has money to purchase the Cooper Communities parcel then the Association has enough money to fix the damages to Berksdale.

Mr. Judson stated that once the Association has accumulated all the facts regarding the possible outcomes, then a public meeting will be held to seek input from the membership.

Director Laury addressed the members clarifying that the Board only has one closed session meeting a month and that all other meetings of the Board of Directors and all committee meetings are open to the public.

VI. PROPOSAL TO PURCHASE 14 PARCELS CURRENTLY LEASED FROM COPPER COMMUNITIES INC.

Mr. Judson stated that the Association currently leases 14 parcels from Cooper Communities. Many of these parcels have critical Association infrastructure. Examples are Tanyard Creek Park, Loch Lomond Park, Granton Park, and ¾ of the parking lot at Kingsdale. The full list of the parcels and appraisals can be found on the Association website at the following address <https://bellavistapoa.com/about-us/board-administration/preserving-our-future/>. All but one of the leases expire at the end of 2017.

Mr. Judson stated that the appraised value is \$2,646,500. Mr. Judson explained that the proposed purchase will preserve the future of the critical parks and infrastructure on these parcels. The purchase will be funded with money in reserves. Mr. Judson presented every parcel in the proposed purchase. Mr. Judson stated that there were 4 additional leases but the Association does not believe they are as critical and thus these leases are not in the proposed purchase.

A member asked about the current lease. Mr. Judson stated that the Association has been leasing these parcels for \$1.00 a year, but this was not a guarantee if another party were to purchase the parcels from Cooper Communities Inc. The Association would be at the mercy of the third party in this scenario.

Members and Management discussed the ARKMO land, the reason for buying it, and the justification for not selling it.

VII. RESPONSE TO PREVIOUS OPEN FORUM COMMENTS

None.

VIII. OPEN FORUM

A member asked how much money was spent on the Back 40 trails. Chairperson Brooks stated the Association did not spend money to build the Back 40 trails. The Walton Family Foundation donated the funds for the trails. Mr. Judson stated that the Association and the City jointly agreed to spend up to \$20,000 on the maintenance of the trails.

IX. JOINT ADVISORY COMMITTEE REPORTS

(A) Lakes

Mr. Judson reported on behalf of the Lakes JAC. The committee is currently working on a schedule for lowering the Association lakes. They will present the finalized schedule at the Board of Directors June regular session meeting. Their recommendation was to lower Loch Lomond and Lake Avalon this winter. The committee also discussed the destruction of the fish hatcheries due to recent flooding.

(B) Recreation

The Recreation JAC reported their amenity reports and staff reports.

(C) Golf

The Golf JAC reported on the damages to the golf course, the proposal regarding Berksdale, and the need for a hydrological study.

(D) Young Residents

There was no report from the Young Residents JAC.

X. APPROVAL OF BOARD MEETING MINUTES

Chairperson Brooks asked for a motion to approve the minutes of the April 13th, Board Work Session Meeting.

Director Abrahamson made a motion for the approval of the minutes, seconded by Director Hatcher. Chairperson Brooks presented the minutes for discussion. There was no discussion.

The motion passed unanimously.

Chairperson Brooks asked for a motion to approve the minutes of the April 20th, Regular Board Meeting.

Director Portillo made a motion to approve the minutes, seconded by Director Nuttall. Chairperson Brooks presented the minutes for discussion. There was no discussion.

The motion passed unanimously.

XI. FINANCIAL REPORT BY DWAIN MITCHELL, TREASURER

Treasurer Dwain Mitchell gave a report on the year-to-date financial reports for April 2017. (Financial Reports are available at <https://bellavistapoa.com/about-us/financial-reporting/>)

XII. UPDATE ON THE GOLF COURSE DAMAGE CAUSED BY THE FLOODING

Keith Ihms, Director of Golf Maintenance, reported the estimated damage to the golf courses because of the recent floods. Mr. Ihms stated that the total estimated damage to the Country Club course is \$88,000. He itemized the total, stating that \$23,000 is for general cleanup which includes repairs to ramp arch bridge #2, additional rip rap over irrigation main line #11 green, additional rip rap on several sections of creek, repair to intake pipe pump station #14, and repairs to a section of washed out cart path on #3. The work for tee #2 includes regrade work, replacement of barrier, and new sod. The work for green #8 includes removal of existing turf and 4" seed bed material, repair to drains, addition of seed bed to spec grade, sod with washed A5 bent grass sod, regrading collar areas for proper drainage off green, and installing new Latitude Bermuda grass sod. The work for bunkers 2, 3, 4, and 8 include removal of contaminated sand, cleaning of Better Billy Bunker liners, and installation of new sand.

The total estimated damage to the Kingswood course is \$40,000 which will be used for general cleanup. The scope of the cleanup includes asphalt cart path washout repairs, rental of a generator and skid steer equipment, bunker sand, rip rap repairs around bridge ramps, and replacement of the railing on the #8 bridge.

The total estimated damage to the Scotsdale course is \$21,000. He itemized the total, stating that \$7,000 is for general cleanup which includes repairs to bridge ramp washouts and rip rap replacement around creek banks. He stated that \$14,000 is for a repair project. The work for the #2 green approach includes replacing and securing the approach area in the front of green with fill material, rip rap, and new sod.

The total estimated damage to the Highlands course is \$46,000 which will be used for a repair project.

The combined estimated total of the damage to the golf courses is \$195,000. Mr. Ihms reported that all courses are open except for Berksdale.

XIII. OLD BUSINESS

None.

XI. NEW BUSINESS

Proposal to purchase 14 parcels currently leased from Cooper Communities

Chairperson Brooks asked for a motion to approve the purchase of 14 parcels from Cooper Communities, Inc at an appraised price of \$2,646,500. Director Nuttall made a motion to approve the purchase, seconded by Director Portillo.

Chairperson Brooks presented the motion for discussion. Director Abrahamson stated that General Counsel, Doug McCash, Board Chairperson, Bob Brooks, and Chief Operating Officer, Tom Judson, had multiple meetings with Cooper Communities regarding the purchase of the parcels.

Director Nuttall stated the risk of losing these parcels would change the picture of Bella Vista for a long time.

Director Pat Laury stated this purchase has been discussed for several months and that each parcel was reviewed thoroughly.

Director Hatcher stated that the Board can stand on record saying that if these purchases are made no other efforts will have to be made in the future to secure them.

Mr. McCash asked for the approval of the motion. The motion passed unanimously.

XV. ANNOUNCEMENTS

- A) Board Orientation and Vote for Chairperson and Vice Chairperson – Tuesday, May 30th at 10:00 a.m. in the Country Club Board Meeting Room. (This is a closed Executive Session).
- B) COO/Board Meeting – Thursday, June 1st at 2:30 p.m. in the Country Club Board Meeting Room. (This is a closed discussion meeting).
- C) Board of Directors Work Session – Thursday, June 8th at 8:00 a.m. in the Country Club Board Meeting Room.
- D) Board of Directors Regular Meeting – Thursday, June 13th at 6:30 p.m. in the Country Club Board Meeting Room.

XVI. ADJOURNMENT

Chairperson Brooks adjourned the meeting at 8:26 p.m.

Submitted:

Approved:

Kyndall Ardoin, Corporate Secretary

Ron Statton, Board Chairperson