

BELLA VISTA VILLAGE PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
April 21, 2016 ° 6:30 P.M. ° BELLA VISTA COUNTRY CLUB

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

BOARD MEMBERS ABSENT: Vice Chairperson Brad Morris and Director Josh Hart.

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

Chairperson Brooks called the meeting to order at 6:31 p.m. There were sixteen members in attendance, as well as four media representatives.

II. PLEDGE OF ALLEGIANCE

III. INVOCATION

Pastor Anna Teel from the Bella Vista Community Church gave the invocation.

IV. ADDITIONS/DELETIONS TO THE AGENDA

None.

V. APPROVAL OF BOARD MEETING MINUTES

Chairperson Brooks asked for a motion to approve the minutes of the March 17, 2016, Regular Board Meeting.

Chairperson Brooks stated that there were two proxies for the current meeting. Director Josh Hart had given his proxy to Director Nuttall. Vice Chairperson Brad Morris had given his proxy to Director Hatcher.

Director Nuttall moved the approval of the meeting minutes, seconded by Director Portillo. Chairperson Brooks presented the minutes for discussion. There was none.

The motion passed unanimously.

VII. FINANCIAL REPORT BY DWAIN MITCHELL, TREASURER

Treasurer Dwain Mitchell gave a report on the year-to-date financial reports for March 2016. Assessments were worse than budget by \$200,694. Golf and ProShop were \$40,746 worse than budget. Annual Greens Fees were better than budget by \$166,000. The RV park and storage is better than budget by \$9,000. Facility Use Fees were better than budget by \$24,000. Lots sales are down mainly due to the legal department being understaffed. Cost of sales was \$15,000 worse than budget because of the Golf Expo and the push to move merchandise. Professional Services is worse than budget by \$12,000 for outside legal services and for the development study the POA paid for with the city. Salary and wages are better than budget by \$226,000.

VIII. RESPONSE TO PREVIOUS OPEN FORUM COMMENTS

Chairperson Bob Brooks reviewed the open forum comments made at the previous Board meeting.

IX. OPEN FORUM

Dick Rooney, 10 Thursby Lane, thanked the board for considering the Loch Lomond fishing dock and the members who will be using the dock to fish.

Linda Lloyd, 102 Fairway Drive, spoke regarding the ARKMO land issue. She believes that the appraisal for the property is wildly optimistic, and she suggests that the POA take the current offer on 144 acres. In past years, the membership felt that the POA Board acted fiscally irresponsible, which led to the membership's voting down the assessment increases. Ms. Lloyd believes that if the Board turns down this ARKMO offer and goes out for an assessment increase next year, that the outcome will be another rejection of assessment increases.

Steve McKee, 3 Tيرة Place, said he supports the sale of the ARKMO property and thinks the idea of potentially turning the ARKMO property into another golf course, is a costly venture that the Board should not consider. Mr. McKee stated that the PGA and USGA report that the average 18-hole course costs 2-4 million dollars to construct. Director Stratton spoke in an effort to correct statements regarding the ARKMO land by stating that no one has suggested that the POA should create an additional golf course. Mr. Stratton explained that the ARKMO land is considered to provide a large amount of options for the POA in the future, for example with the two current golf courses flooding almost annually, the POA may want to consider building a course on the ARKMO property and doing away with the two courses that are prone to flooding. Mr. Stratton also listed the possibility of wanting to use the land to build a new town center.

Mr. McKee believes that the balance sheet shows \$1,400,000 more than the investment summary. Mr. Mitchell responded that the \$1,400,000 is in a checking account to cover operations. Mr. McKee asked why the operational cash wasn't listed on the investment summary. Mr. Mitchell responded that the investment summary does not report operational cash.

Mr. McKee asked if the Declaration or Policy shows whether the POA can concern itself with charities. Mr. McCash responded that the Bylaws give the Board the authority to establish subcommittees, which could include a charitable committee. Chairperson Brooks responded that the precedent has been set that the POA gives to charities and clarified that tonight's decision is simply the creation of a charitable committee and not the decision of how much money is going to be budgeted to charities.

Mary Schillaci, 1 Dunedin Place, stated that she could not find the agendas or minutes on the website. Mr. Judson explained that the documents she is looking for are under the "About" section on the website. Ms. Schillaci stated that she felt that the new monthly statements are unnecessary and more costly than the annual coupons that used to be mailed out. She suggested that the POA use postcards to save money. Chairperson Brooks responded by stating that the coupons previously used did not work well and that the POA is saving money by not printing out the coupons. Mr. Judson also responded that management would look into the options to cut costs.

VIII. JOINT ADVISORY COMMITTEE REPORTS

Director Nuttall reported on behalf of the Lakes JAC Committee and said that in the last meeting, they primarily discussed the Loch Lomond fishing dock. The Lakes department started water sampling this month, which will continue throughout the boating season. The Fisheries department purchased 150,000 walleye fish.

Judy Griffin reported on behalf of the Recreation JAC Committee and said that the majority of the Committee's meeting was over Phase II of Branchwood trail. They are hoping it can open at the end of May, weather permitting. The progress of the pickleball courts at Metfield was discussed. The gun range is having major work done on the berms and will be closed from April 18th - 30th. The dog park is currently closed for reseeding. Committee terms were discussed. Mr. Judson added that because of the rain's help, it appears that the dog park can reopen on May 1st.

Jake Grasmick, the Chairman of the Golf JAC Committee, reported that the Greens Subcommittee has been working on getting all the hazards staked and evaluating all the tee boxes on the golf

courses. The Marketing subcommittee has been unable to meet for the last several months due to personal conflicts but hopes to meet shortly. Mr. Grasmick passed out the new brochures for the Junior Golf Clinics which will be held at the Highlands driving range and headed up by Darryl Muldoon. Volunteers have been helping with the landscape maintenance throughout the Village. Mr. Grasmick asked Mr. Judson to report on the \$25 golf promotion. Mr. Judson reported that the promotion produced 348 rounds and \$7,000 in revenue. Mr. Grasmick also said that the POA has been approved to participate in the Natural State's Golf Trail, which will entail signs being installed on both ends of Bella Vista.

Mr. Judson reported on behalf of the Election Committee, as the Chairman of the Committee could not attend. As of April 21st, 2,604 paper ballots and 1,223 online ballots were received by TIE, for a total count of 3,827. This represents 14% participation. The total participation last year was 23%. Participation is increasing by 3-4% per day. For the first time, the POA is tracking the participation rate on a daily basis to use in the future for comparison and trending purposes. The POA is only able to see the number of votes cast, not how they are voted. Volunteers have made over 500 calls to encourage members to vote. The initial printing and mailing of ballots is trending under budget by \$4,500 so far.

Mr. Mitchell reported on behalf of the Audit Committee that the 2015 Audit report is finished and posted on the POA website. The auditors completed some additional testing this year on internal controls and identified areas that needed strengthening. Some of these areas were addressed immediately, and some will be addressed in the implementation of our accounting and water software that is currently underway.

Chairperson Brooks commented on recent Facebook discussions about the We R Bella Vista publication. He reported that this publication is self-sustaining and thanked the Marketing department for their work on the publication.

IX. OLD BUSINESS

A) Policy 1.03.6 – The creation of a Charitable Giving Committee to evaluate charitable requests and determine which charities, if any, will be given a donation by the POA. Second and Final Reading.

COO Tom Judson introduced and summarized Policy 1.03.6.

Chairperson Brooks presented the Policy 1.03.6 for discussion.

Director Laury moved to approve the Policy 1.03.6, seconded by Director Nuttall.

Mr. McCash presented the Policy 1.03.6 for discussion. Director Laury clarified to the audience that any charities to be considered would be those within the community.

The motion passed unanimously.

B) Policy 1.03.7 – The creation of a Resource and Advisory Committee which will serve the Board as an added resource and offer advice for special projects. The Committee will also handle all member disciplinary issues. Second and Final Reading.

COO Tom Judson introduced and summarized the Policy 1.03.7.

Director Hatcher moved to approve the Policy 1.03.7, seconded by Director Nuttall.

Mr. McCash presented the Policy 1.03.7 for discussion.

The motion passed unanimously.

C) Policy 1.04 – Improvements to the Policy to ensure it is in compliance with the rest of the governing documents. Second and Final Reading.

COO Tom Judson introduced and summarized the proposed changes to Policy 1.04.

Director Laury moved to approve the proposed changes, seconded by Director Nuttall.

Mr. McCash presented the proposed changes for discussion.

The motion passed unanimously.

D) Bylaw Article II, Section 1(c) and Bylaw Article VII, Section 1(b) – Adjustments to ensure the Bylaws are in compliance with State law. Second and Final Reading.

COO Tom Judson introduced and summarized the proposed changes to Bylaw Article II and Article VII.

Director Nuttall moved to approve the proposed changes, seconded by Director Hatcher.

Mr. McCash presented the proposed changes for discussion.

The motion passed unanimously.

E) Offer for the purchase of approximately 144 acres of ARKMO land.

COO Tom Judson introduced and summarized the 144 acre offer of \$700,000.

Director Nuttall moved to approve a counteroffer for the sale of 144 acres for \$725,000, seconded by Director Portillo.

Mr. McCash presented the matter for discussion. The board discussed the matter. Chairperson Brooks proposed that the amount that the golf community paid in surcharges for the purchase of the ARKMO property be extracted from the proceeds of the sale and be invested in the POA's golfing amenities. Director Hatcher expressed concerns over not having a long-range plan before selling the ARKMO land. Director Portillo thinks that the offer is more than a fair one for the land, doesn't believe that the sale of 144 acres will hinder the long-range plans of the POA, and would like for the proceeds of the sale to go into the general POA fund for the improvement of properties and clubhouses. Mr. Laury is also concerned that selling 144 acres of the ARKMO property before a long-range plan has been created would not be wise.

The motion failed with four votes in favor and four votes opposed.

X. NEW BUSINESS

A) Policy 3.09 – This adjustment to the Policy would change the threshold as to when water service is suspended from \$200 (approximately 8 months) to 60 days past due. First Reading.

COO Tom Judson introduced and summarized the proposed changes to Policy 3.09.

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

Mr. McCash presented the proposed changes for discussion. Mr. Judson explained that if these proposed changes are passed, the implementation of the policy will not take affect till January 1,

2017. Mr. Judson also said that if a member is on a payment plan with the POA to bring the account current, the water will not be shut off so long as the member is making payments.

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. First Reading.

COO Tom Judson introduced and summarized the proposed changes to Policy 7.05.

Director Laury moved to approve the proposed changes, seconded by Director Stratton.

Mr. McCash presented the proposed changes for discussion.

The motion passed unanimously.

C) Loch Lomond Fishing Dock Proposal

COO Tom Judson introduced and summarized the proposed Loch Lomond Fishing Dock.

Director Stratton moved to approve the Loch Lomond Fishing Dock project for \$30,288 and to move forward with the project in a reasonable amount of time, seconded by Director Nuttall.

Mr. McCash presented the proposal for discussion.

The motion passed unanimously.

D) Board resolution granting the President and Secretary the authority to execute warranty deeds, promissory notes, and mortgages.

COO Tom Judson introduced and summarized the proposed resolution.

Director Laury moved to approve the resolution, seconded by Director Nuttall.

Mr. McCash presented the resolution for discussion.

The motion passed unanimously.

E) Request for the release of reserve funds to be used for a capital project.

COO Tom Judson introduced and summarized the request for the release of reserve funds to be used for a capital project.

Director Stratton moved to approve the release of reserve funds, seconded by Director Nuttall.

Mr. McCash presented the release of reserve funds for discussion.

The motion passed, with one vote opposed.

XI. ANNOUNCEMENTS

A) COO/Board Meeting – Thursday, May 5, 2016, 2:30 p.m. in the Country Club Board Meeting Room. (This is a closed discussion meeting).

B) Board of Directors Work Session – Thursday, May 12, 2016, 8:00 a.m. in the Country Club Board Meeting Room.

- C) Annual Meeting – Tuesday, May 17, 2016, 6:30 p.m. at Riordan Hall.
- D) Board of Directors Regular Meeting - Thursday, May 19, 2016, 6:30 p.m. in the Country Club Board Meeting Room.
- E) Joint Townhall Meeting – Tuesday, April 26, 2016, 6:00 p.m. at Riordan Hall.

XII. ADJOURNMENT

Chairperson Bob Brooks adjourned the meeting at 7:45 p.m.

Submitted:

Approved:

Genevieve Henderson, Corporate Secretary

Bob Brooks, POA Chairperson