

BELLA VISTA VILLAGE PROPERTY OWNERS ASSOCIATION

BOARD OF DIRECTORS MEETING

July 21, 2016 ° 6:30 P.M. ° BELLA VISTA COUNTRY CLUB

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

BOARD MEMBERS ABSENT: None.

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

I. CALL TO ORDER

Chairperson Brooks called the meeting to order at 6:29 p.m. There were eight members in attendance, as well as four media representatives.

II. PLEDGE OF ALLEGIANCE

III. INVOCATION

Pastor Brian Fink from the Highlands United Methodist Church gave the invocation.

IV. ADDITIONS/DELETIONS TO THE AGENDA

Chairperson Brooks stated that the “Resolution regarding ID cards” under New Business was going to be removed from the agenda for the evening.

V. APPROVAL OF BOARD MEETING MINUTES

Chairperson Brooks asked for a motion to approve the minutes of the June 8, 2016, Board Work Session Meeting, and the June 16, 2016, Regular Board Meeting.

Director Morris moved the approval of the minutes of the June 8, 2016, Board Work Session Meeting, seconded by Director Hatcher. Chairperson Brooks presented the minutes for discussion. There was none.

The motion passed unanimously.

Director Nuttall moved the approval of the minutes of the June 16, 2016, Regular Board Meeting, seconded by Director Laury. Chairperson Brooks presented the minutes for discussion. There was none.

The motion passed unanimously.

VI. EMPLOYEE RECOGNITION – CELEBRATING SUCCESS

Cindy Bassett, the Human Resources Director, introduced Joe George & the Highlands Golf Course Maintenance employees as being recognized in the Celebrating Success program. Ms. Bassett presented Joe George with a \$100 check and the Highlands Golf Course Maintenance employees with a lunch provided by the POA 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 June 2016. Assessments were \$175,021 worse than budget. Golf income was \$189,020 worse than budget. RV income was \$40,744 better than budget. Facility use fees were \$54,099 better than budget. Boat registrations were \$56,824 worse than budget. Invested income was \$285,499 better than budget. Lot sales were \$20,354 worse than budget. Transfer fees were \$32,337 worse than budget. Total income

was \$258,406 worse than budget. Cost of sales was \$2,061 better than budget. Gross profit was \$260,467 worse than budget. Salary and wages were \$302,577 better than budget. Employee benefits were \$44,739 better than budget. Maintenance and repairs was \$131,514 worse than budget. Fuel and oil were \$56,875 better than budget. Professional services were \$42,480 worse than budget. Postage was \$24,291 worse than budget. Total expenses were \$323,876 better than budget. Net income / Cost of operations was \$67,339 better than budget. Book value of assets sold/retired was \$30,362 better than budget. Capital projects were \$203,282 worse than budget. Reserves carry over & current capital were \$200,823 better than budget. Simple cash flow was \$251,578 better than budget.

Water's invested income was \$166,490 better than budget. Water's income was \$117,813 better than budget. Water's other income was \$51,011 better than budget. Water's total income was \$335,531 better than budget. Water's gross profit was \$281,837 better than budget. Water's salary and wages were \$56,000 better than budget. Water's total expenses were \$71,271 better than budget. Income/Cost of operations was \$372,176 better than budget. Water's capital projects were \$3,152 worse than budget. Water's reserves for other projects and financing were \$3,127 better than budget. Water's simple cash flow was \$359,387 better than budget.

Director Portillo asked how confident is management that all boats on the POA lakes are properly registered. Mr. Judson responded that management is increasing the number of lake rangers to better monitor the boats and the POA is changing the registration stickers to a better quality, so that they can reliably stay affixed to the boats. Director Portillo asked if the POA had a lake ranger patrolling on the water. Mr. Judson replied that the current budget had lake rangers maxed out at 70 hours per week, but management has increased this by 50% and will do some for 2017's budget.

Director Laury requested that Mr. Judson report to the Board in the near future on the possible use of the surpluses from the Water Department.

VIII. RESPONSE TO PREVIOUS OPEN FORUM COMMENTS

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

IX. OPEN FORUM

Jim Parsons, who lives on Lake Avalon, said that two months ago, he wrote a letter to the editor posing the question, "Who has the best advantage of enjoying the POA amenities at the least cost? A non-member or an assessment-paying member? Who can come play for the least cost?" Mr. Parsons said he had yet to receive an answer to his question. He said that it doesn't seem right that a non-member pays less for a single round of golf than a POA member plays for a single round of golf. He believes that allowing non-members to use the amenities is a violation of the Declaration and Covenants. Mr. Parsons and the Bella Vista Patriots request that the POA not seek an increase in assessments.

Steve McKee, 3 Tيرة Place, said that he doesn't agree with the current fee structure of golf, especially annual golf memberships and with the discounted rates that non-members receive. Mr. McKee asked the Chairman of the Board why he is requesting an assessment increase. Mr. Judson invited Mr. McKee to meet him in his office tomorrow to discuss his questions.

X. JOINT ADVISORY COMMITTEE REPORTS

John Nuttall reported on behalf of the Lakes JAC Committee and said that Rick Echols was promoted to the Superintendent of Parks and Lakes and that John Urquhart was promoted to be his assistant. Fish are developing and growing well. Loch Lomond fishing dock is scheduled to be completed in mid-September. The Lakes Department is increasing the hours of lake rangers. The issue of boat stickers falling off is being addressed by management. The Committee decided on fish size limits.

The staff's e-coli monitoring of Lake Avalon is going well, so it appears that a beach will be possible in the future.

Judy Griffin reported on behalf of the Recreation JAC Committee and said that the RV park is having Wi-Fi installed tomorrow morning. A feasibility study is being conducted at the RV park regarding tent-camping. Branchwood Trail had a festive grand opening. The Committee is proposing four to five benches for the trail and want them to be consistent with the Back-40 trail benches. Mr. Judson said that we already have three volunteers to sponsor three benches. The gun range had a successful perk test performed in the attempt to add a bathroom. The Committee suggests widening the road that leads to the skeet facility. One committee member position is open and in the process of being filled. The Committee submitted long term plans to Mr. Judson for inclusion in 2017's budget.

Susan Nuttall reported on behalf of the Golf JAC Committee and reported that the improvements to Scotsdale appear to be on schedule. The Committee discussed the annual revenue created by the changes made in the fee structure, which appear to be very well received. Golf greens are in excellent condition. Fifteen road signs for Scotsdale are already in the budget. Play-it-forward tees are on all the courses, and the grass will be mowed down in those areas when possible, depending on the mowers being used in that area. The Junior Clinics are going very well. The high school teams have already begun practicing at the Highlands course. Upcoming tournaments include the All-In-Family and a junior tournament. Proposed marketing budgets were approved.

XI. OLD BUSINESS

A) Policy 1.04 - The proposed change to this policy would make the Young Residents Committee into a formal Joint Advisory Committee. Second and final reading.

Mr. Judson introduced and presented the proposed changes to Policy 1.04. Chairperson Brooks asked for a motion to approve the proposed changes to Policy 1.04.

Director Morris motioned to approve the proposed changes to Policy 1.04, seconded by Director Laury.

Chairperson Brooks presented the proposed changes for discussion. Director Laury explained that the Rules and Regulations Committee have carefully reviewed these proposed changes.

The motion passed unanimously.

XII. NEW BUSINESS

A) Policy 2.08 – Proposed trail use policy which will mirror the City's ordinance. First Reading.

Mr. Judson introduced and presented the proposed Policy 2.08. Chairperson Brooks asked for a motion to approve the proposed Policy 2.08.

Director Laury motioned to approve the proposed Policy 2.08, seconded by Director Hatcher.

Chairperson Brooks presented the proposed policy for discussion. Director Laury mentioned that Director Davis asked for the proposed policy to include regulation of hover boards and motorized scooters on the trails, which will be covered by the term "vehicle."

The motion passed unanimously.

B) Policy 6.02 – The changes to the Official POA Publication and Release of Information Policy which will modernize the policy. First Reading.

Mr. Judson introduced and presented the proposed changes to Policy 6.02. Chairperson Brooks asked for a motion to approve the proposed changes to Policy 6.02.

Director Morris motioned to approve the proposed changes to Policy 6.02, seconded by Director Hart.

Chairperson Brooks presented the proposed changes for discussion. Director Laury explained that the Rules and Regulations Committee have carefully reviewed these proposed changes.

The motion passed unanimously.

C) Chemical storage and wash rack for Central Golf Maintenance – Moving funds from reserve to a fully approved capital project, also adjustments to the scope of the project.

Mr. Judson introduced and presented the proposal for a chemical storage and wash rack for Central Golf Maintenance.

Director Morris motioned to move funds totaling \$288,500 from reserve to a Board-approved capital project in the amount of \$384,500 and that management will be required to follow policy and get three bids for this capital project, seconded by Director Hatcher.

Chairperson Brooks presented the proposal for a chemical storage and wash rack for Central Golf Maintenance for discussion. Director Laury asked whether there were sufficient funds in reserves to cover the difference in the previously quoted amount. Mr. Judson replied in the affirmative. Director Hart asked why the amount had increase. Keith Ihms replied that the original amount was a 2.5 year-old quote, so with time, the price has increased. Mr. Ihms also said that he has increased the footprint of the proposed building. Mr. Judson added that the prior quote was an estimate and that this quote was more exact.

The motion passed unanimously.

D) Appointment of Election Committee. Appointment is required per the Bylaws, Article VIII, Section 1.

Mr. Judson introduced and presented the proposal for the appointment of the Election Committee to include Buddy Gray, Richard Hartman, Jack Allen, Gary Creakbaum, Roger Scoles, Michael Johnson, Phillip Bode, and Bob Higgins.

Chairperson Brooks motioned to approve the proposal for the appointment of the Election Committee, seconded by Director Portillo.

Chairperson Brooks presented the proposal for the appointment of the Election Committee for discussion. There was none.

The motion passed unanimously.

E) Proposal to seek an assessment increase vote – Chairperson Brooks is proposing for the Board’s consideration that an assessment increase vote should be taken.

Chairperson Brooks introduced and presented the proposal to seek an assessment increase vote for separate voting on the increased assessments of \$9 for improved properties and \$3 for unimproved properties. Mr. McCash read the following motion:

“Chairman Brooks motioned to authorize the Election Committee to seek a vote to increase assessments, in adherence to the following provisions:

- Ballot Question #1: Members in good standing will be asked to vote whether they approve a \$9 increase which will take the monthly assessment for improved properties from \$24 to \$33.
- Ballot Question #2: Members in good standing will be asked to vote whether they approve a \$3 increase which will take the monthly assessment for unimproved properties from \$16 to \$19.
- Members in good standing will be determined as of August 23, 2016. Only members in good standing will receive a ballot.
- Ballots will be mailed and emailed on September 1, 2016.
- Ballots will be finalized and tabulated by the Election Committee on November 1, 2016.
- A meeting of the membership will be held to announce the results of the vote on November 1, 2016 at 4:00pm in Riordan Hall.
- Management is authorized to contract with TIE (The Inspectors of Election) for \$36,500 to administer the vote. The Board waives the three-bid policy requirements since management received competitive bids for the same services earlier this year.”

Director Nuttall seconded the motion.

Chairperson Brooks presented the proposal to seek an assessment increase vote for discussion. Many of the Directors stated their various reasons for approving the proposed assessment increase.

The motion passed unanimously.

Mr. Judson mentioned that the next three Coffee & Questions will be devoted to the topic of the assessment increase.

XI. ANNOUNCEMENTS

- A) COO/Board Meeting – Thursday, August 4th at 2:30 p.m. in the Country Club Board Meeting Room. (This is a closed discussion meeting).
- B) Board of Directors Work Session – Thursday, August 11th at 8:00 a.m. in the Country Club Board Meeting Room.
- C) Board of Directors Regular Meeting – Thursday, August 18th at 6:30 p.m. in the Country Club Board Meeting Room.

XII. ADJOURNMENT

Chairperson Brooks adjourned the meeting at 7:47 p.m.

Submitted:

Approved:

Genevieve Henderson, Corporate Secretary

Bob Brooks, POA Chairperson