

**BELLA VISTA VILLAGE PROPERTY OWNERS ASSOCIATION  
BOARD OF DIRECTORS MEETING (WORK SESSION)  
March 10, 2016 ° 8:00 A.M. ° COUNTRY CLUB BOARD MEETING ROOM**

**BOARD MEMBERS PRESENT:** Chairperson Bob Brooks, Vice Chairperson Brad Morris, Directors Bruce Portillo, Patrick Laury, Joshua Hart, Ruth Hatcher, and John Nuttall.

**BOARD MEMBERS ABSENT:** Director Ron Stratton.

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

**I. CALL TO ORDER**

Chairperson Brooks called the meeting to order at 8:00 a.m.

**II. JUNIOR GOLF CLINIC**

Chairperson Brooks thanked Lynn Atkins for her article in the newspaper concerning the youth golf movement and programs the POA is establishing. He stated that the reporting was accurate, detailed, informative, and pleasant to read.

**III. OLD BUSINESS**

- A. Policy 1.07-** Mr. Judson stated that this is the second and final reading of Policy 1.07, which revises the timing of when regular meeting Agendas and Minutes are distributed on the website and to the general POA public. He asked the Board if there were any additional adjustments. The Board had no adjustments.
- B. Bylaw Article VII, Section 6-** Mr. Judson stated that this is the second and final reading of Bylaw Article VII, Section 6, which states “The titles General Manager, GM, Chief Operating Officer, and COO shall be considered interchangeable throughout the governing documents.” He asked the Board if there were any additional adjustments. The Board had no adjustments.

**IV. NEW BUSINESS**

- A. Policy 1.04-** Mr. Judson reported that the Rules and Regulations Committee requested improvements to Policy 1.04 to make sure it is in compliance with the rest of the governing documents. He stated that there are a number of adjustments throughout Policy 1.04 and that the first reading will be at next week’s meeting. He asked the Board if there were any additional adjustments. The Board had no adjustments.
- B. Declaration Changes-** Mr. Judson reported that per the request of the Elections Committee, with adjustments from the Board and legal counsel, there are a number of proposed revisions to the proposed Declaration changes for the ballots. He stated that the deadline for a final proof of the ballot is approaching and that next week’s meeting would be the last opportunity to look at the proposed Declaration changes. He asked the Board to review the proposed changes and submit any revisions as soon as possible. He stated that all of the previously requested changes have been made and the Board will take a final look at it next Thursday.
- C. Bylaw Article II, Section 1(C) and Bylaw Article VII, Section 1(B)-** Mr. Judson stated that the proposed changes are to ensure that the Bylaws are in compliance with State law. He referred to Bylaw Article II, Section 1(C), reporting that the proposed adjustment “corporate officers” has been added where previously it was specifically dictated. He referred to Bylaw Article VII, Section 1(B), reporting the proposed adjustment where Corporate Officers will be appointed at

the first public meeting of the Board in June of each year and will serve a term of one year. Mr. Judson stated that the first reading of the proposed changes will be next Thursday and asked the Board if there were any additional adjustments. The Board had no adjustments.

**D. Discussion regarding the naming of Corporate Officers, per Bylaws-** Mr. Judson referred to a memo from Mr. McCash, dated March 9, 2016, which refers to getting everything in compliance with state law. Mr. Judson referred to the bottom of the memo where it is management's recommendation to go forward with the appointment of our current officers and their respective positions, specifically Ms. Henderson, Mr. Mitchell, and Mr. Judson, at next Thursday's meeting.

**E. Discussion regarding a requested waiver on three bid policy for the Scotsdale greens project-** Mr. Judson reported that we are requesting to waive the three bid policy for the Scotsdale greens project. He stated that we have created a standardized waiver form that will keep us in compliance and that in this instance, there is only one vendor that provides the particular type of turf we are using, which is the reason for the request.

Vice Chairperson Morris suggested changing item number three on the waiver form from \$0.59 per square foot to approximately \$210,000. Mr. Judson agrees and will modify it for next week's Board meeting.

**F. Discussion regarding the creation of a Resource and Advisory Committee-** Mr. Judson reviewed the outline for the proposed Resource and Advisory Committee. He stated that this committee will serve the Board as an added resource and offer advice for special projects, as well as handle all member disciplinary issues.

Chairperson Brooks commented that this will help with the continuity of the Board and POA by utilizing the knowledge of our community's past in order to make more educated decisions in the future.

Director Laury asked what the rationale for limiting membership to former Board members was and more specifically, could a candidate with special expertise that would be beneficial to the committee, who is not a prior Board member, be considered. Chairperson Brooks responded that it would be the committee's responsibility to seek outside council for specialized help if needed.

Mr. Judson asked the Board if they were okay with the way the committee outline was written. The Board had no objections.

**G. Discussion regarding the creation of a Charitable Giving Committee-** Mr. Judson reported that management and the Board receive a large number of requests for charitable funds and that management was seeking guidance and a structure regarding when and where to grant these funds. The Rules and Regulations Committee suggested creating a committee for this purpose which would help insulate the Board and management.

Mr. Judson referred to the proposed Policy 1.03.6, III. Duties, 1(b), stating "The nonprofit organization must have an office located in Bella Vista and have a positive direct impact upon the residents of Bella Vista." He stated that this provision is to ensure that the funds stay in Bella Vista and help our community directly.

Vice Chairperson Morris referred to the proposed Policy 1.03.6, III. Duties, 1(a) where it states, "Requesting organization must be a 501(c)(3) nonprofit organization." He stated that the

specification of 501(c)(3) may be too narrow of a description to include some of our interests, such as the library. He recommended broadening the language so that we are not limiting ourselves, but he said that it should not be as broad as to include all nonprofit organizations. Vice Chairperson Morris and Mr. McCash will research the subject.

Vice Chairperson Morris referred to the proposed Policy 1.03.6, III. Duties, 3, stating that he is not sure we should commit ourselves to a target of \$50,000 each year. He recommended striking the second sentence, "Unless reduced, the Board will do its best to allocate \$50,000 each year in the budget for charitable giving." This will allow the dollar amount to be budgeted yearly at the Board's discretion.

Director Hart referred to the proposed Policy 1.03.6, III. Duties, 1(c) where it states, "Donations may not be made to political or religious organizations." He asked why we are exempting religious organizations in our community from receiving donations. Mr. Judson responded that the provision was made to keep the POA neutral on political and religious matters. Chairperson Brooks commented that this provision is a common practice.

Director Portillo referred to the proposed Policy 1.03.6, III. Duties, 4, where it states, "In order to avoid any perception of conflict of interest, a member of the Committee may not serve on the Board of an organization requesting a donation." He recommended allowing Board members of organizations to serve on the Committee if they recuse themselves from issues regarding their organization. The Board agreed and language will be added to reflect the change.

Director Hatcher suggested a deadline for donation applications. The Board agreed that it will be the Committee's responsibility to make this decision.

The Board agreed that because there are no funds allocated for charitable donations in the budget for this year, the Committee will be formed, but not commence until next year.

Chairperson Brooks asked the Board if they are in agreement with the parameters that have been established. The Board is in agreement.

- H. Consideration of architecture proposal for the Yacht Club. Discussion on three bid waiver request-** Mr. Judson reported that we are requesting funds in the amount of \$40,000 for architectural work for the Yacht Club. He stated that the funds are for conceptual drawings that will give us the ability to get accurate pricing on the cost of the improvements to get the building operational. He stated that the POA is looking for an architect that has specifically worked in the restaurant industry and that he is requesting a waiver on the three bid request. He added that the POA has spoken with three separate companies but that one backed out due to the size of the project. Chairperson Brooks asked the Board if they had any questions regarding the request. The Board had no questions.
- I. Offer for the purchase of approximately 144 acres of ARKMO land-** Mr. Judson reported that there is an offer to purchase 144 acres of our ARKMO land and that the buyer's intention is to create a horse farm. He stated that the initial offer was \$669,600 but that he was able to talk them into raising their offer to \$700,000, which is an average price of \$4,861 per acre. He reported that the appraisal we conducted on the land in November of 2014 indicated an average price of \$4,095 per acre which makes this offer \$110,304 better than the appraised value. He stated that management recommends the acceptance of this offer with provisions made in the contract to assure that the land will not be subdivided.

Vice Chairperson Morris commented that we do not have an urgent need for cash at this time, that there is no cost in holding the property, that we hope to have a strategic plan for the land by the end of the year, and that the land is irreplaceable. He recommended putting the offer off until next year. He added that the property was purchased with the intention of building a golf course and that part of the proceeds of the purchase price came from a specific act of increasing green fees for a certain period of time. He stated that some golfers will argue that they have a special right to the proceeds of the sale because they paid for a portion of it through these increased green fees.

The Board discussed the topic and agreed to table the offer until next month to allow for more research to be done as to how to develop the land as a source of revenue.

## **V. OPEN FORUM**

Mrs. Linda Leffler asked why the membership is not voting on the issue of the sale of the ARKMO land. Chairperson Brooks answered that the land is an asset, not common property.

Mr. Ken Nelson commented that since we paid \$1.2 million for the ARKMO land as a whole, there would only be a \$500,000 gap to recapture the initial cost of the land if we were to take the \$700,000 offer.

## **VI. ANNOUNCEMENTS**

- A) The next Board of Directors Regular Meeting will be held on Thursday, March 17, 2016, 6:30 p.m. in the Country Club Board Meeting Room.

## **VII. ADJOURNMENT**

The meeting was adjourned at 9:04 a.m.