

**BELLA VISTA PROPERTY OWNERS ASSOCIATION  
BOARD OF DIRECTORS MEETING (WORK SESSION)  
July 13, 2017 ° 8:00 A.M. ° COUNTRY CLUB BOARD MEETING ROOM**

**BOARD MEMBERS PRESENT:** Chairperson Ron Stratton, Vice Chairperson John Nuttall, Directors, Ruth Hatcher, Patrick Laury, Bruce Portillo, David Brandenburg, and Jim Abrahamson.

**BOARD MEMBERS VIA TELEPHONE:** None.

**BOARD MEMBERS ABSENT:** Director Joshua Hart.

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

**I. CALL TO ORDER.**

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

**II. PROPOSAL TO CHANGE THE TIMING OF THE BOARD MEETING SCHEDULE BY ONE WEEK.**

Mr. Judson presented the proposed changes to the Board Meeting schedule. He reported that with the opening of Lakepoint, the Association is undertaking significant shifts in the accounting process. The accounting for the snack bar at Metfield or Scotsdale does not compare to the accounting requirements for Lakepoint. One of the critical factors to the success of a restaurant is getting accurate Cost of Sales information. At this time, if an error is found in the Cost of Sales, the correction is made in the following month. While this practice corrects the books for the year, it provides Management with flawed information on a month to month basis.

Mr. Judson stated that every company he has worked for throughout his career has issued “preliminary” month-end statements. Issuing “preliminary” month-end statements allows staff to analyze the financials, locate errors, and fix these errors in the correct month. Management would like to implement the use of “preliminary” month-end statements to solve these problems in the correct month, but this procedure adds days to the entire process of finalizing the month-end financials. The earliest accounting can generate financials with the addition of “preliminary” statements is the 17<sup>th</sup> day of the month. Because there are months throughout the year when the third Thursday falls before the 17<sup>th</sup> of the month, Mr. Judson stated he is requesting the Board meeting schedule to be permanently modified to the following:

GM Meeting:	Second Thursday of the month at 2:30 p.m.
Work Session:	Third Thursday of the month at 8:00 a.m.
Regular Meeting:	Fourth Thursday of the month at 6:30 p.m.

This schedule moves all the Board meetings back by the necessary one week, giving accounting the additional time needed to insert the “preliminary” statement system. This will increase financial accountability and inventory accuracy, while decreasing variances, throughout the entire organization.

Mr. Judson stated that if the Board is agreeable to the proposal to change the Board meeting schedule, it would require a change to Policy 1.07. Policy 1.07 states “The Board will normally hold its regular meeting on the third Thursday of each month.” Though the proposed change to the Board meeting schedule provides for the Regular Board meeting to normally take place on the

fourth Thursday of each month, modification of this policy will allow for flexibility in the timing of the meeting, in order to accommodate holidays in the months of November and December.

Mr. Judson reviewed various examples of situations that can impact the Cost of Sales and how “preliminary” month-end reports will help prevent subsequent variances. The Board discussed the topic.

Mr. Judson stated that, if approved, the proposed revisions to Policy 1.07 would not be implemented until September, allowing ample time to notify members of the schedule changes.

Chairperson Stratton commented that the Association does a lot of financial reporting and in his experience, most companies, whether private or public, conduct these financial reports on a quarterly basis, with a month after the end of the quarter to resolve discrepancies. He stated that though the Association’s monthly reporting allows for great transparency, he recommends looking at the cost associated with this extensive financial reporting, and tracking it, to determine if there is a simpler method that would save personnel time and refine the process.

Director Laury suggested moving the Board Work Sessions to 6:30 p.m. in order to accommodate those who have full-time jobs and encourage participation. Director Abrahamson suggested eliminating the Board Work Sessions. Director Nuttall suggested streaming all of the Board meetings, except the GM meeting, live on Facebook. The Board discussed the topics.

The proposed changes to the Board meeting schedule will be voted on at next week’s Board meeting.

### **III. PROPOSAL TO SHIFT CAPITAL FUNDS ON THREE PROJECTS.**

Mr. Judson presented the proposal to shift capital funds on three projects, stating that any time there is a renovation, Management strives to accomplish multiple tasks at one time. He outlined the projects which consist of:

- Metfield Park Restroom - \$64,000 – This is a complete rebuild of this restroom so that it is ADA compliant and all weather (the current restroom must be closed for use during the winter). Funds for this project will come from the \$200,000 allocated for ADA projects in 2017. No shifting of capital funds is required for this project.
- Upper Restroom at Blowing Springs - \$94,000 – This large restroom facility is being used for special events such as community concerts, for event rentals in the picnic area, by tent camping customers, and by mountain bikers and hikers using the trail system. The renovated restroom will be ADA compliant, all weather, and will include shower facilities. The scope of this project has changed from the original plan, and the \$45,000 approved in the 2017 capital budget for this project, is no longer sufficient. Management proposes that \$49,000 of the remaining \$136,000 allocated for ADA projects, be used to complete this project.
- RV Park Entrance Building Renovation - \$50,000 – This project was originally approved by the Board in November of 2015 for \$30,000. In the last two years, the scope of this project has changed. This renovation will include the doubling of the size of the building. A restroom will be added for employee

use, plus sufficient space for a small convenience store (liters of soda, large bags of chips, bug spray, and other items RV customers are asking for). There has been outstanding year over year financial growth of the RV Park. Management proposes reallocating \$20,000, from the remaining \$87,000 allocated for ADA compliance, to this project.

If these adjustments are approved, \$67,000 of the funds allocated for ADA projects will remain. At this time, there are no additional projects planned for 2017 which would utilize the remaining funds.

Chairperson Stratton clarified that the funds were a place holder, earmarked for projects to ensure that they would be completed with full ADA compliance. The proposal to shift capital funds will be voted on at next week's Board meeting.

**IV. POLICY WAIVER REQUEST FOR THE CART PATH PROJECT AT HIGHLANDS.**

Mr. Judson reported that as a result of the significant amount of construction and asphalt work taking place in Northwest Arkansas, Management was only able to secure one bid for the cart path work at the Highlands golf course. The bid was received from Hutchens Construction for \$104,160 which is under budget. Hutchens Construction previously completed work on the Scotsdale cart path, doing so in a timely manner without damaging the course, while working well with the superintendent on logistics. Management is requesting a waiver on the three-bid requirement for the cart path project at the Highlands golf course. The three-bid waiver request for the cart path work at the Highlands will be voted on at next week's Board meeting.

**V. POLICY WAIVER REQUEST FOR THE REPAIR OF THE DAMAGE CAUSED BY FLOODING AT THE COUNTRY CLUB.**

Mr. Judson reported that although five companies were contacted for bids to repair the flood damage to the Country Club golf course, only two were returned. Jones Plan submitted a bid for \$88,751. Pro Golf Services submitted a bid for \$60,315. Management is requesting a waiver on the three-bid requirement for flood damage repair to the Country Club golf course. The three-bid waiver request for flood damage repair to the Country Club golf course will be voted on at next week's Board meeting.

**VI. SIX-MONTH MEMBERSHIP SALES REPORT.**

Mr. Judson reviewed sales highlights for the first six months of 2017. He reported that 557 Annual Golf Memberships have been sold this year, compared to 520 memberships sold in the first six months of 2016 and 374 memberships sold in the first six months of 2015. The number of Photo ID cards sold for unimproved property owners has grown from 702 in 2016, to 1,089 this year. Photo ID cards sold for improved property owners is flat compared to prior year. The number of kayaks registered has increased from 2,179 in 2016, to 2,575 this year. Only 1,843 kayaks were registered in the first six months of 2015. The Play More Pay Less Advantage has been a huge success with 88 memberships sold in the first year. There have been 11 Kids First golf memberships sold.

**VII. OPEN FORUM.**

Ms. Linda Lloyd thanked the Association for the additional ball machine at the Tennis Center.

**VIII. ANNOUNCEMENTS.**

A) The next Board of Directors Regular Meeting will be held on Thursday, July 20, 2017 at 6:30 p.m. in the Country Club Board Meeting Room.

**IX. ADJOURNMENT.**

The meeting was adjourned at 9:18 a.m.