



Bella Vista Property Owners Association

**Annual Meeting
May 15, 2018**



Call to Order



Pledge of Allegiance



Introductions

Board Members: Chairperson Ron Stratton, Ruth Hatcher, Bruce Portillo, Patrick Laury, Jim Abrahamson, David Whelchel, David Brandenburg, and Joshua Hart.

POA Officers: Tom Judson, COO & President; Dwain Mitchell, Vice President & Treasurer; Leia Bush, Corporate Secretary.

POA General Counsel: Doug McCash

Audit Firm: Michelle Hurst of BKD CPAs & Advisors



Approval of 2017 Annual Meeting Minutes



Audited Financials



2017 Financial Statements

**Auditors Issued an Unqualified
Opinion**

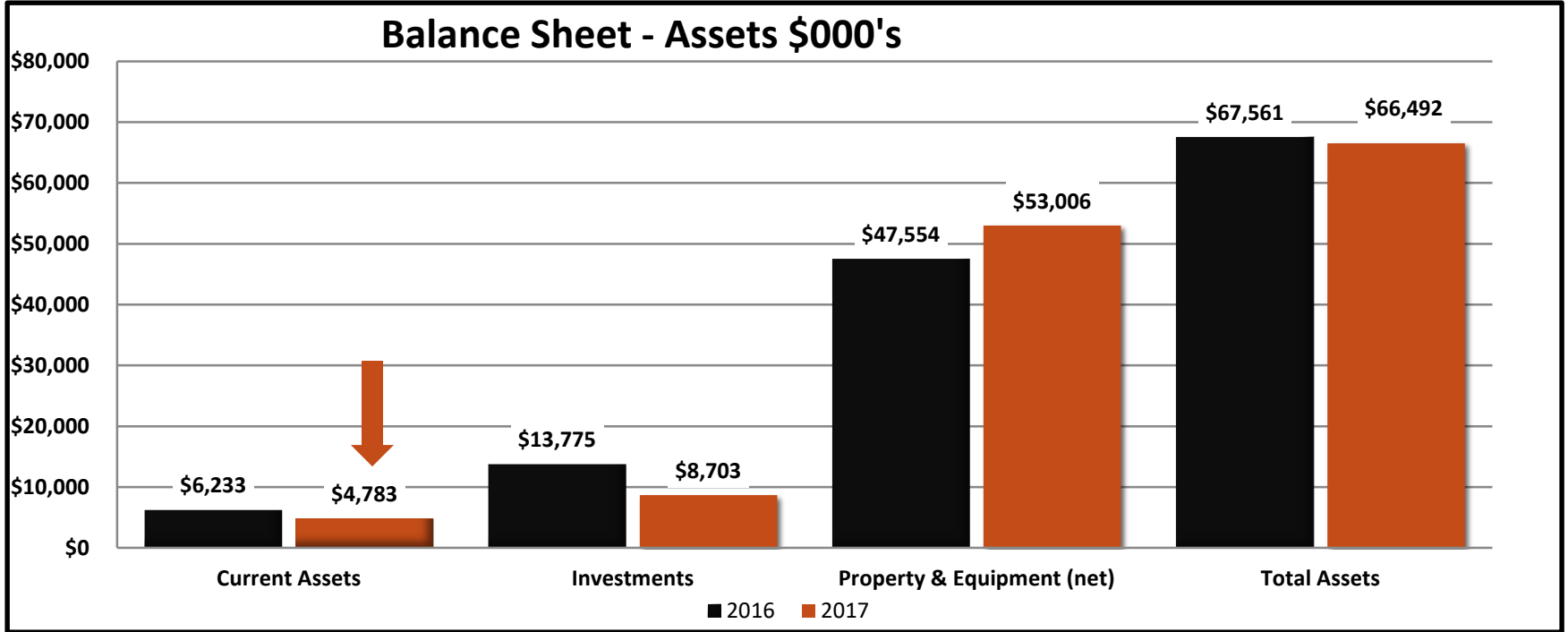
“Clean” or “Favorable” Audit



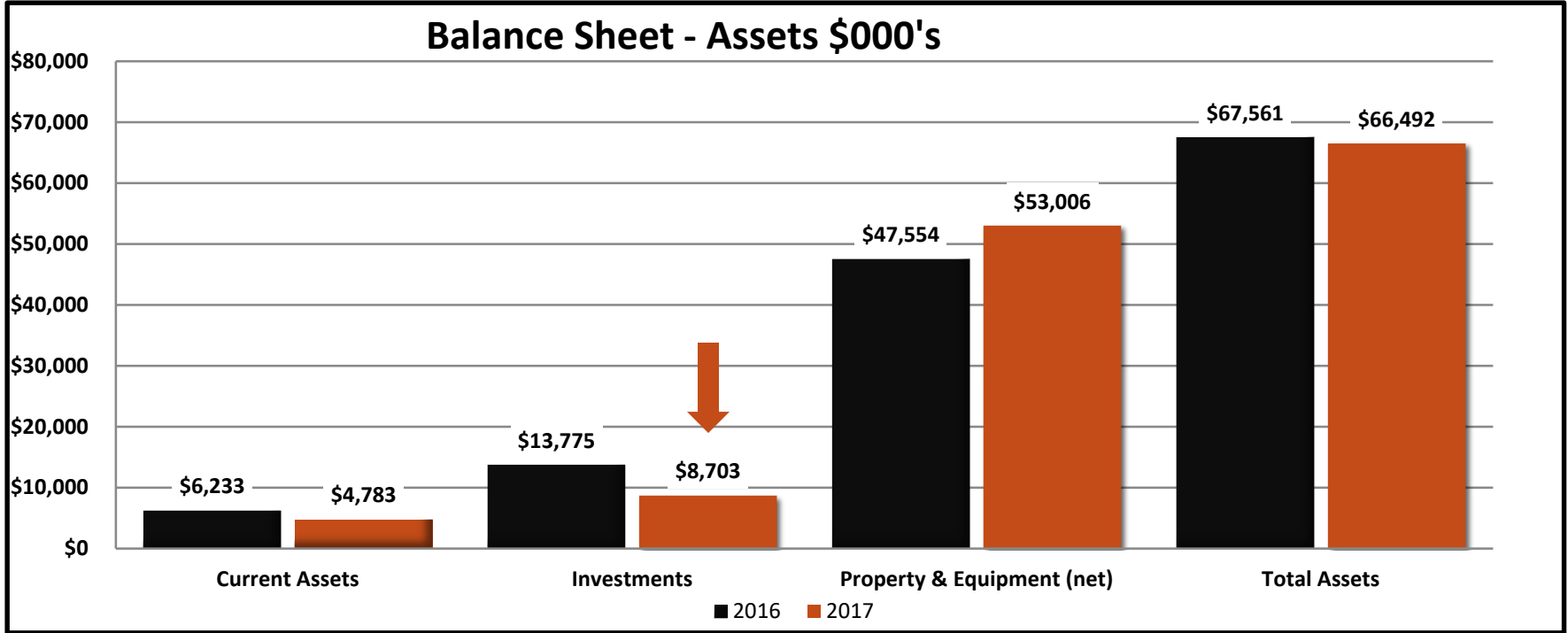
2017 Financial Statements

**The following is a graphical representation of the BKD Audited Financial Statements
The full audited financial statements, the auditors report and the notes,
are available for viewing on the POA web site**

Balance Sheet Assets

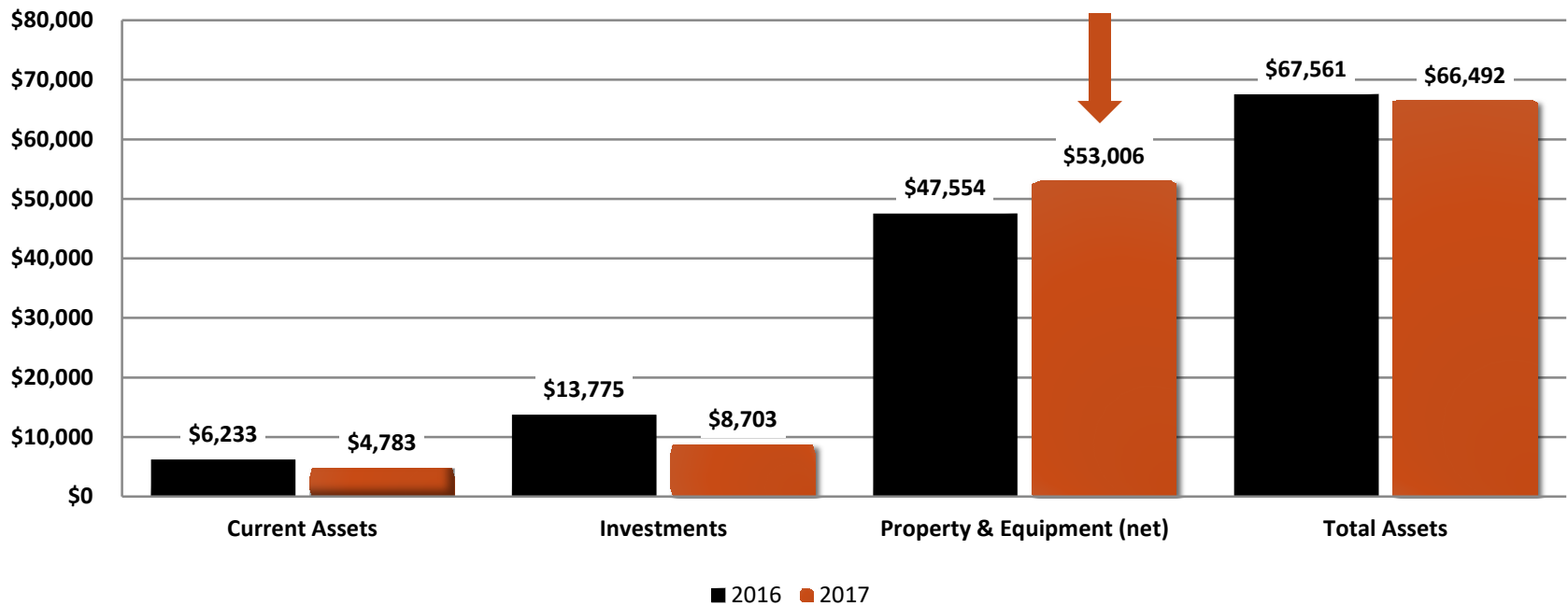


**Current Assets decreased (\$1.5 million)
Use of Cash & CD's - Funding Capital Projects**



**Investments decreased (\$5 million)
Use of Investments - Funding Capital Projects**

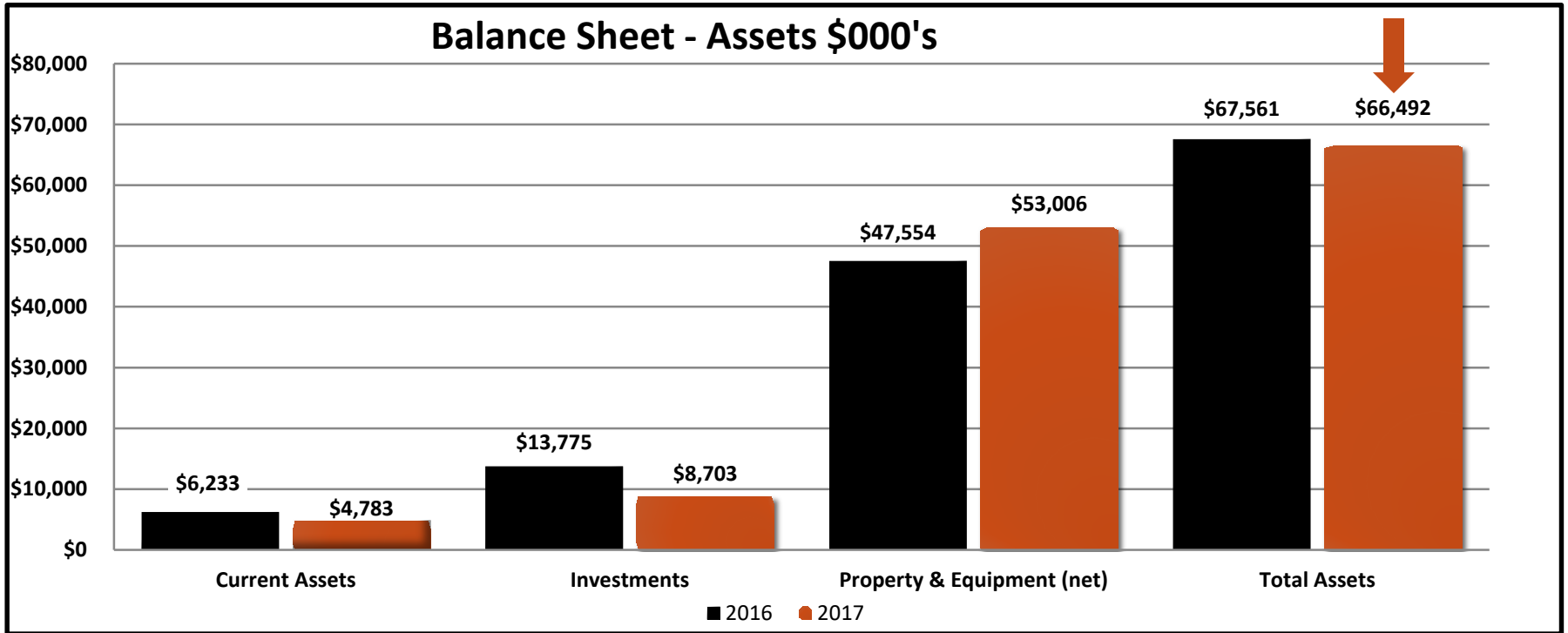
Balance Sheet - Assets \$000's



Property and Equipment net of accumulated depreciation – Increased \$5.5 million

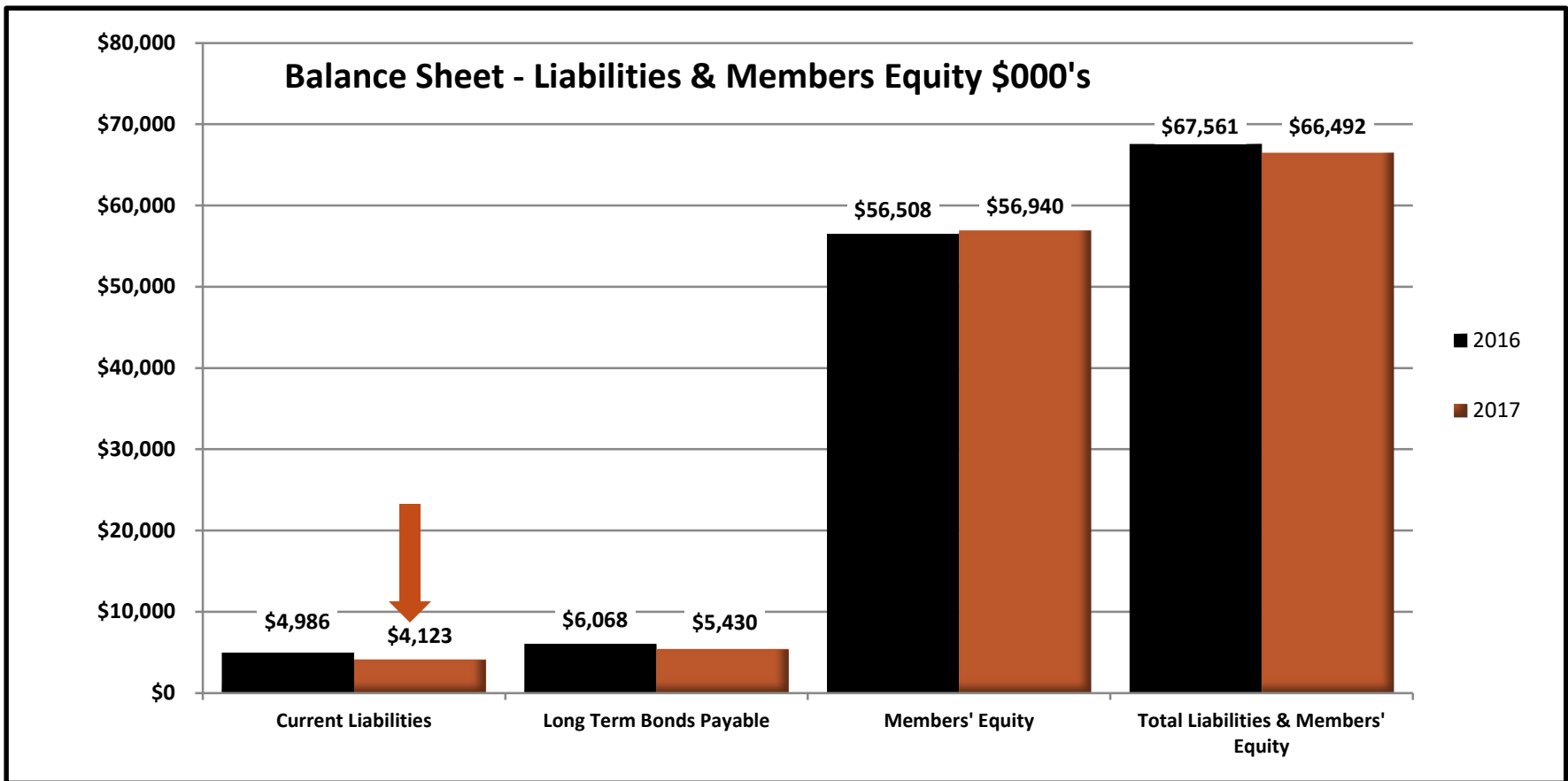
Capital Projects Spending \$5.1 million & Cooper Land Purchase of \$2.7 million

Accumulated Depreciation made up the balance



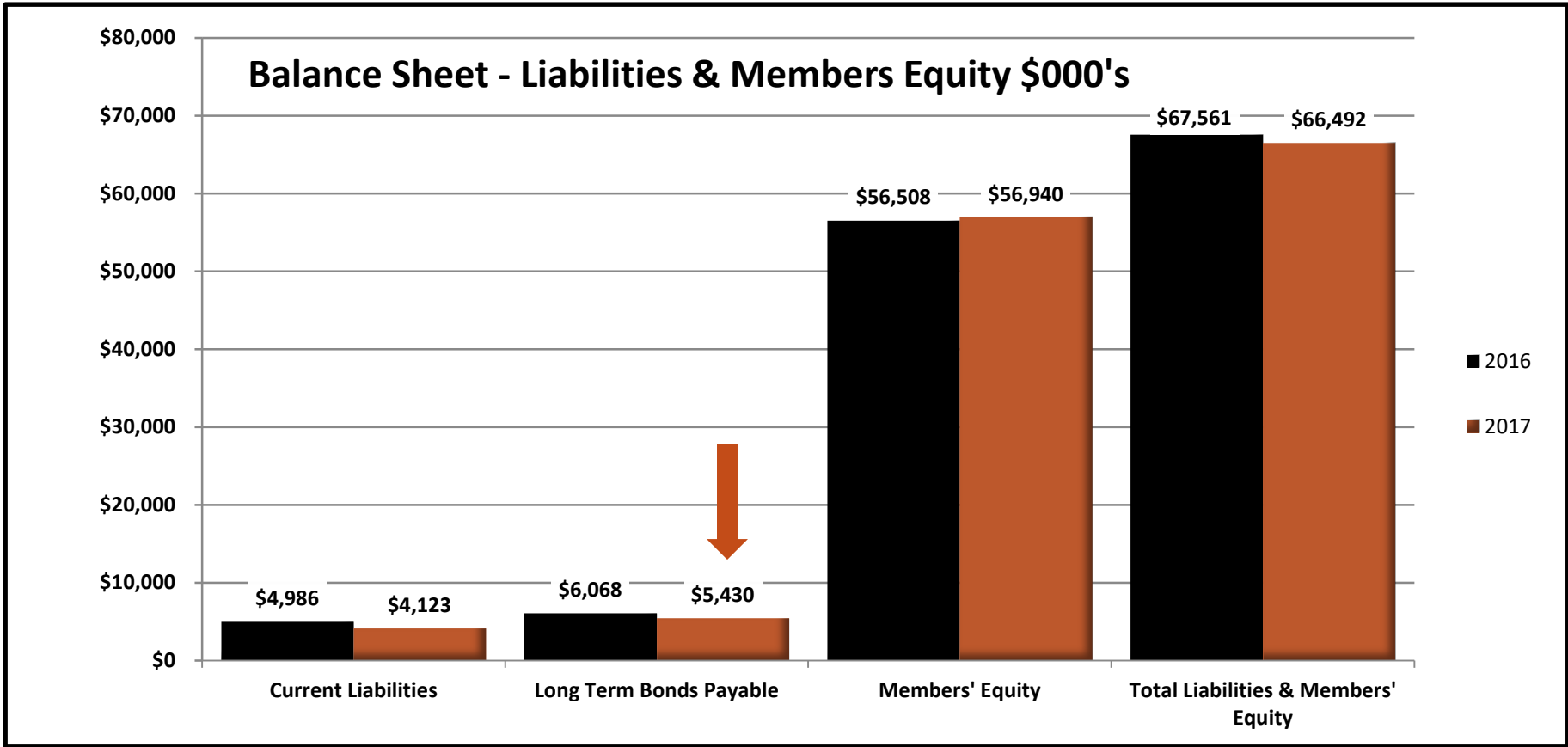
Total assets decreased (\$1.1 million)

Balance Sheet Liabilities & Members' Equity

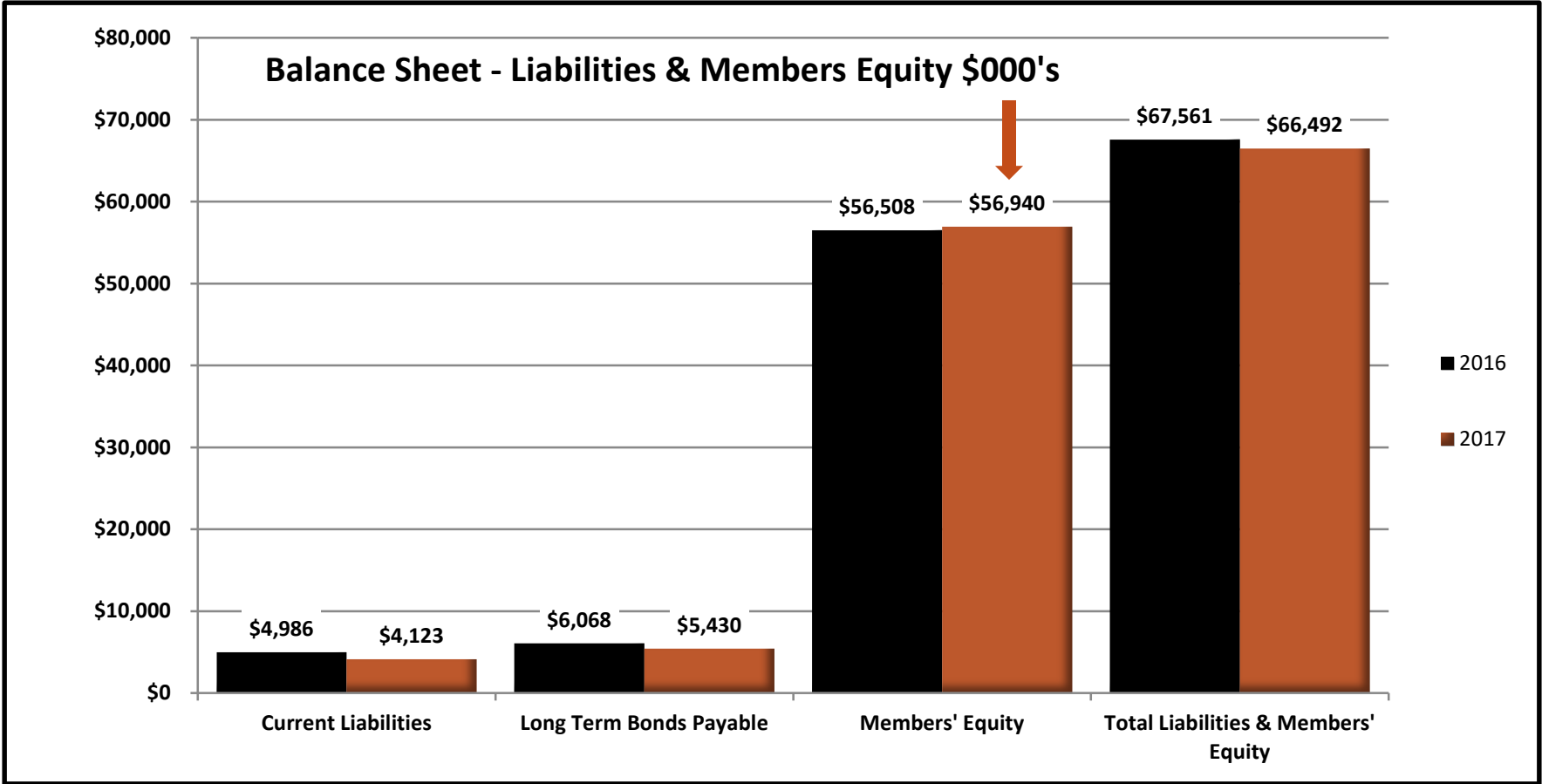


Current Liabilities- decreased \$900k

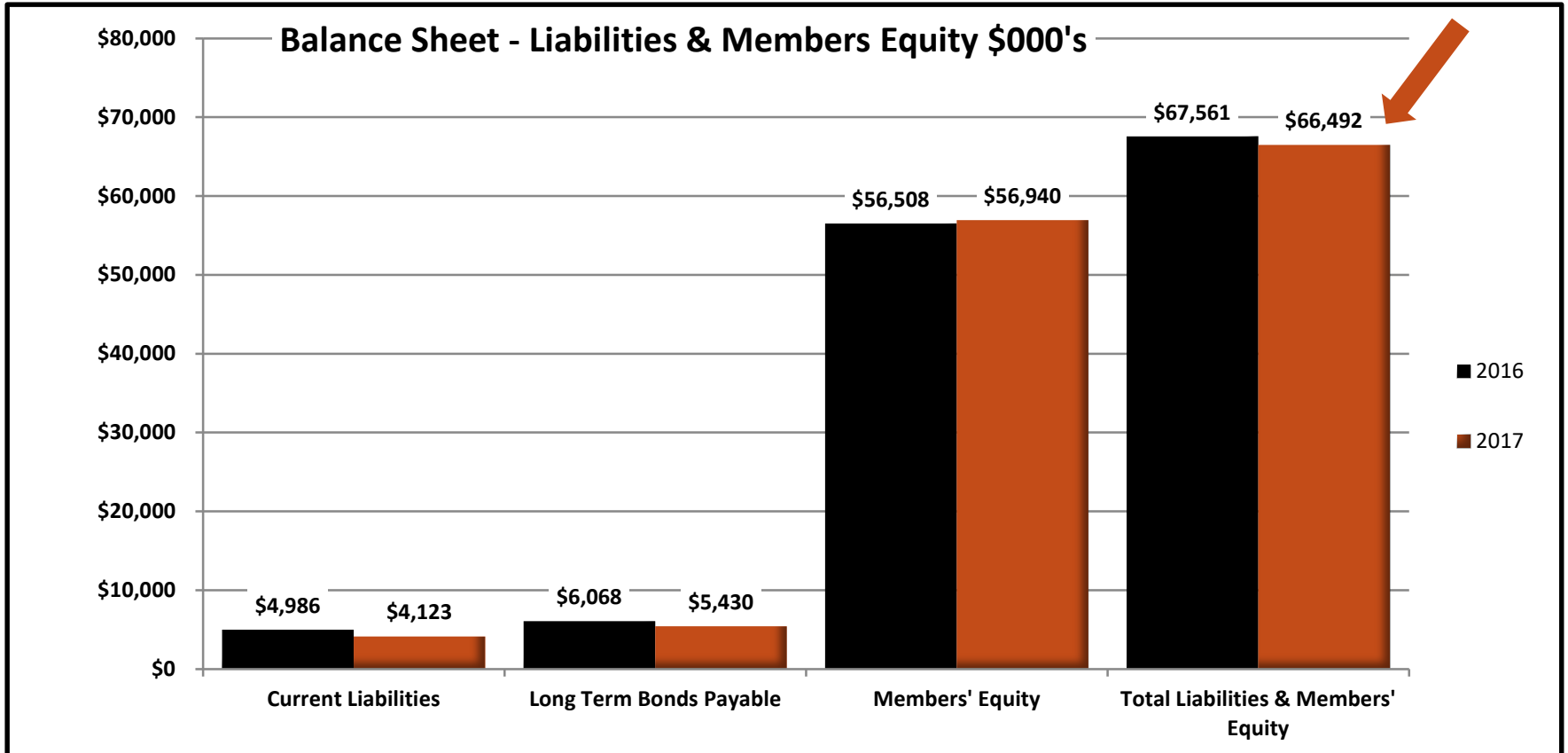
- **Prepayments of Members' Assessments - decreased (\$400k) – Primarily as a result of timing.**
 - **Deferred Revenue – decreased (\$300k) – Timing on Annual Purchases**
 - **Current Portion Water Bond Payable decreased (\$100k)**



**Long Term Bond Payable decreased (\$640k)
Principal reduction on the Water Bond as it gets paid off**



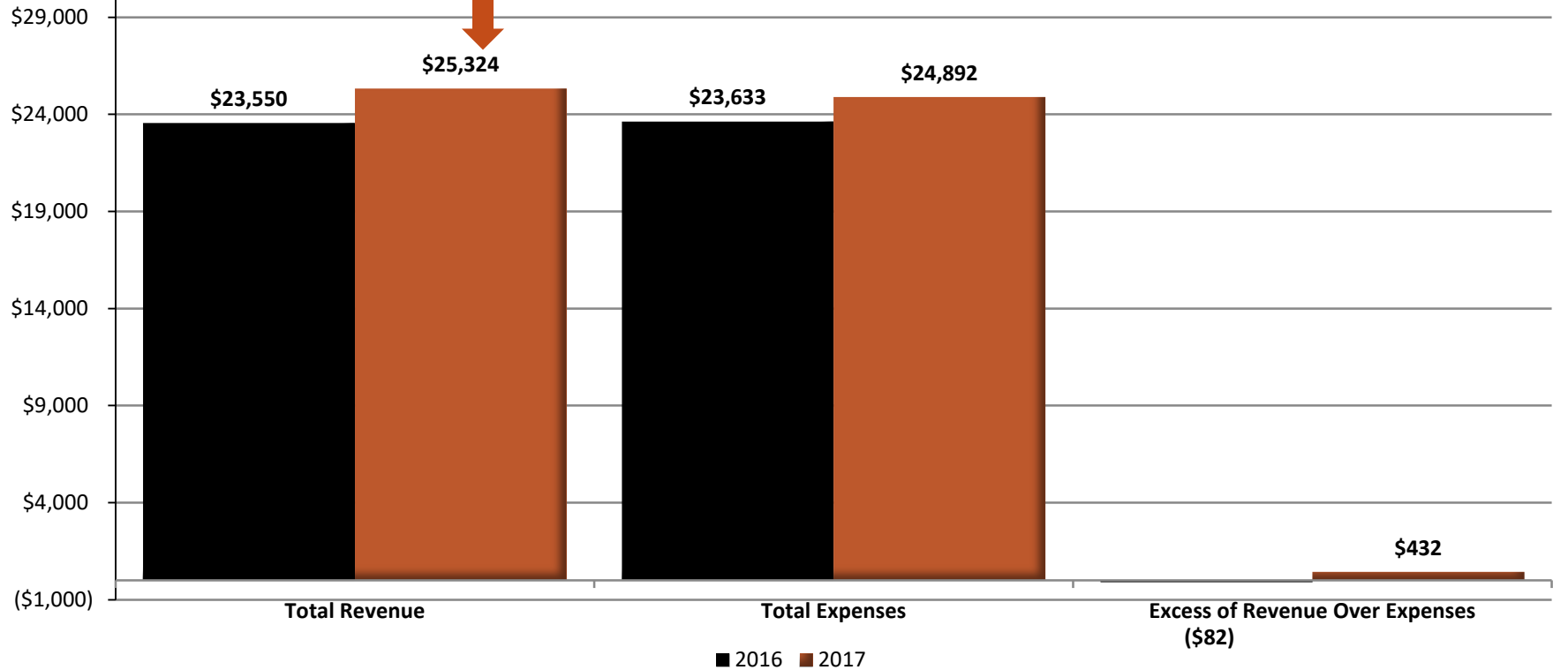
Members' Equity – increased \$432k Net Income



Total Liabilities & Members' Equity decreased (\$1.1 million)

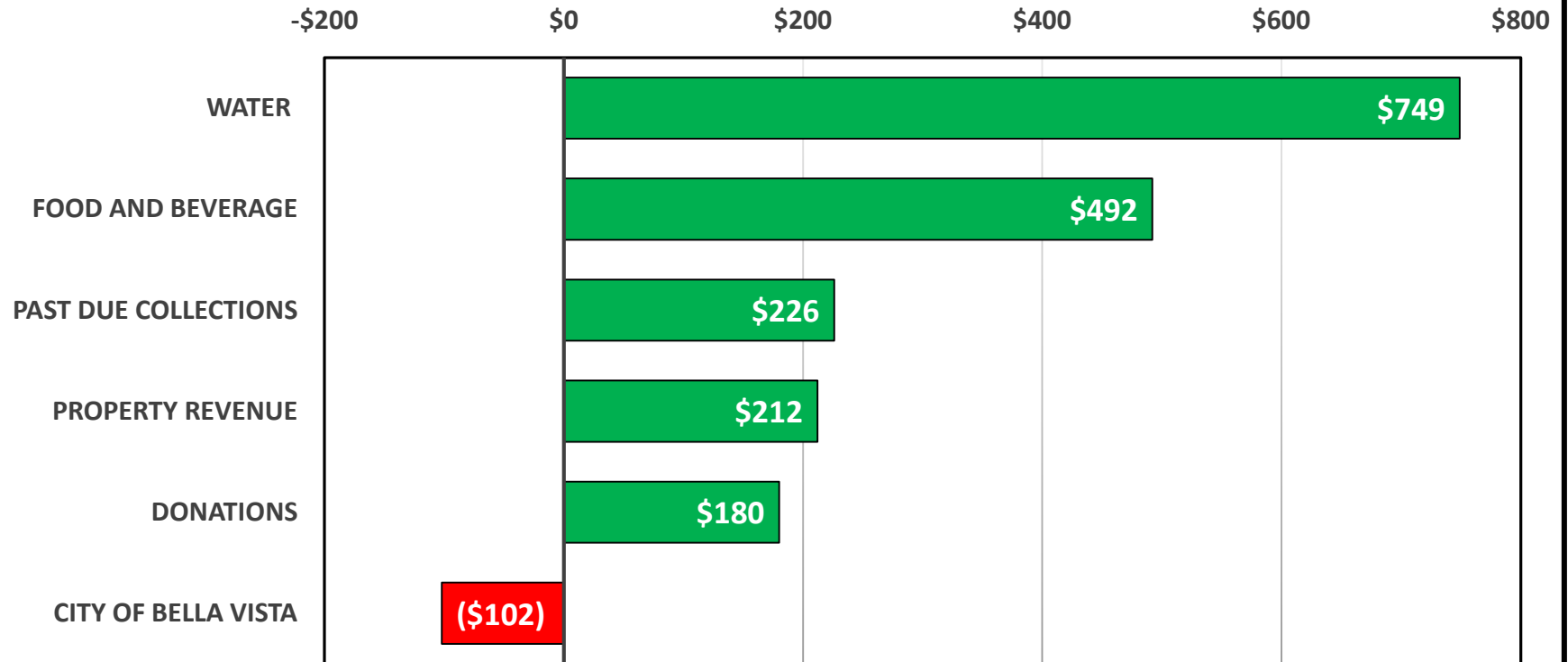
Income Statement

Income Statement - \$000's

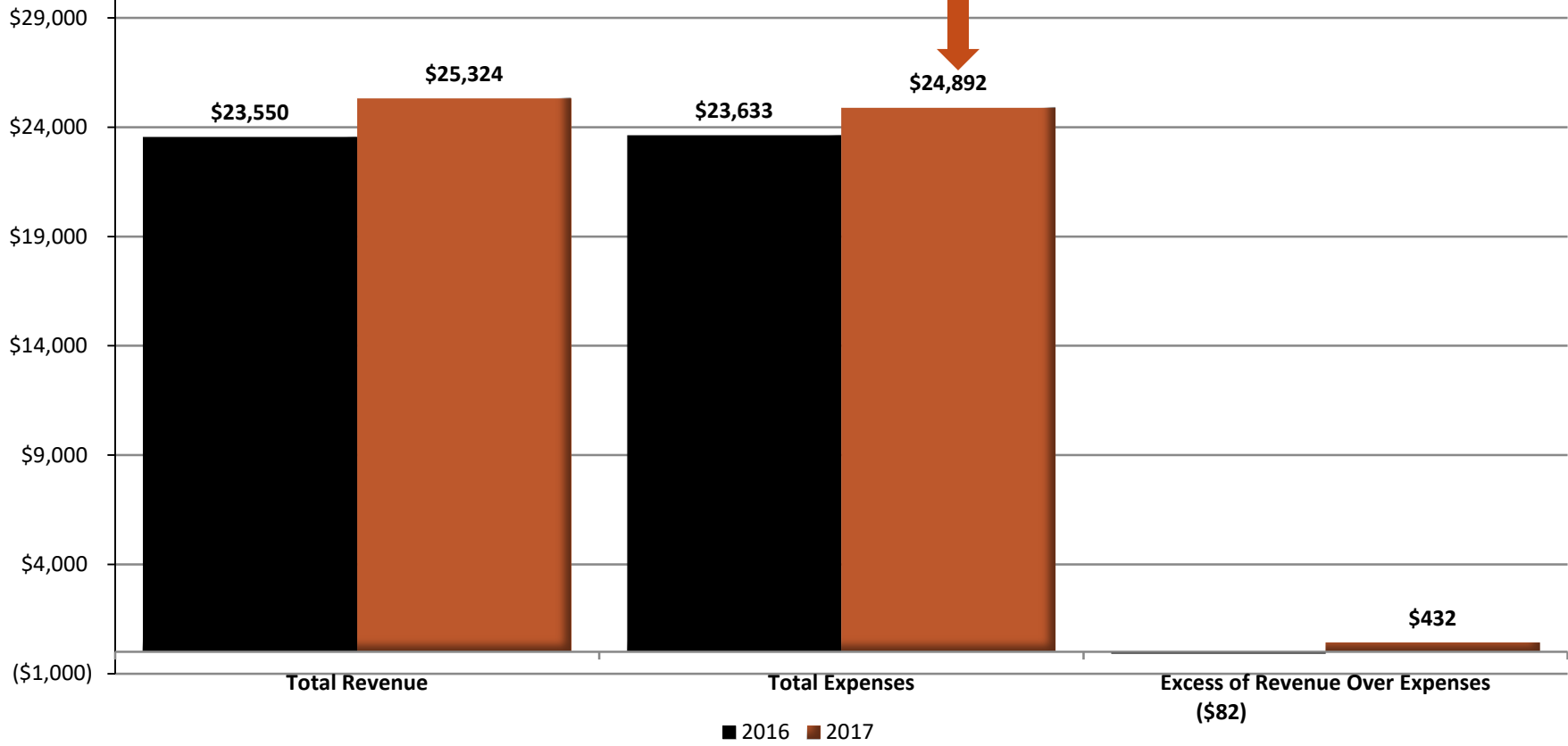


**2017 Revenue \$25.3 million
Compared with \$23.6 in 2016**

Revenue Variances - 2016 and 2017 (\$000's)

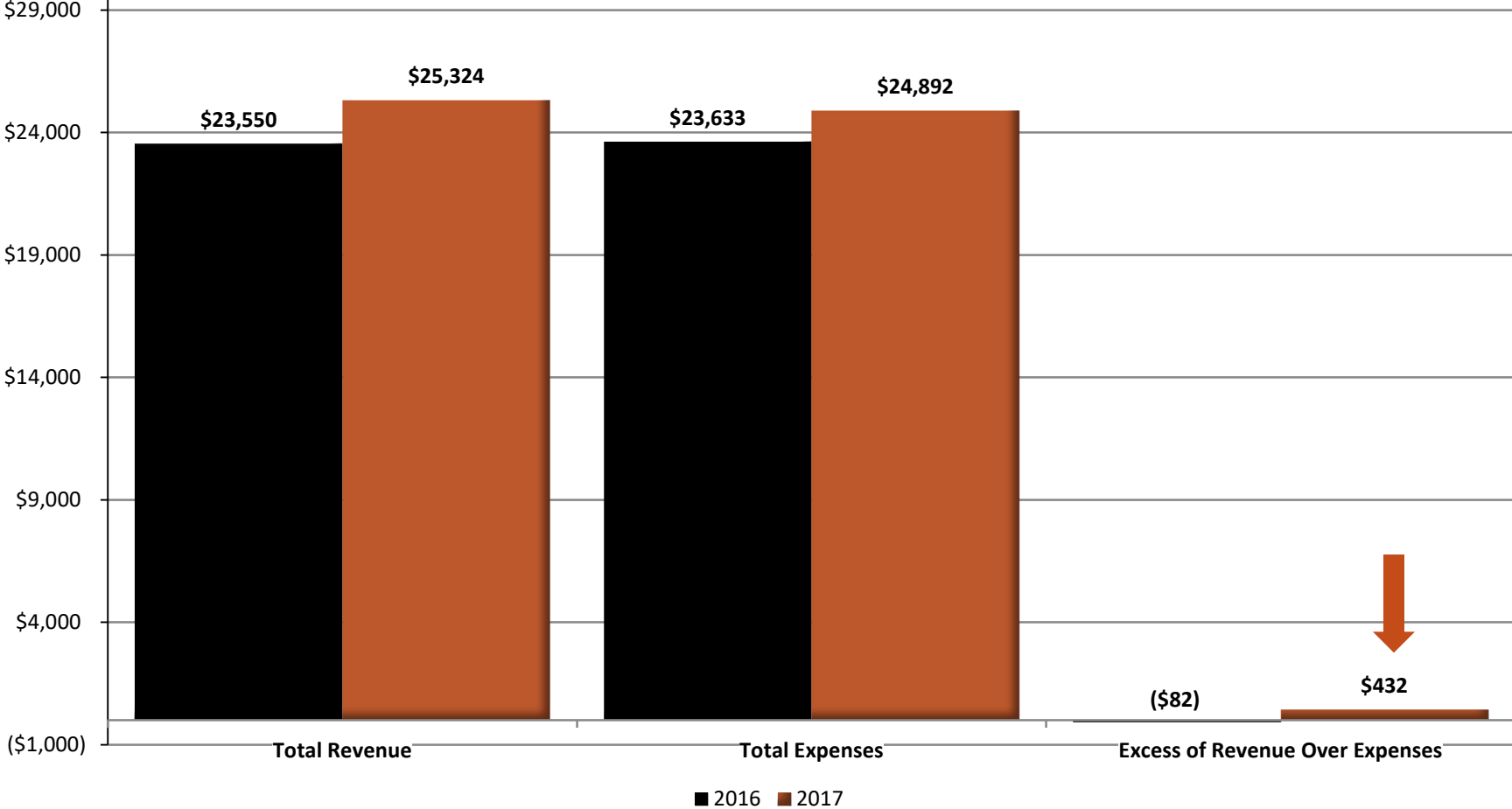


Income Statement - \$000's



**2017 Expenses \$24.9 million
Compared with \$23.6 in 2016**

Income Statement - \$000's



2017 Net Gain \$432k

2018

Capital Projects - 2018

Provided below are the key capital projects for 2018:

Recreation

- Branchwood - Expansion and renovation
- Branchwood – New trailhead
- RV Park - Upgrade utilities in upper section
- Blowing Springs Trail – New bridge to lower trail
- Blowing Springs – Check-in hut and upper restroom
- Blowing Springs – Glamping POD
- Metfield – Renovation of deck and pool house
- Metfield Park – New park restroom
- Tennis – Complete renovation of two tennis courts
- The Beach – Creation of the Beach at Lake Avalon
- New Community Center – Initial design phase
- Playground equipment at Branchwood, the Beach, and Metfield

Capital Projects – 2018 Continued

Golf

- Dogwood – Bunker renovation
- Country Club – Opening of renovated clubhouse
- General – Hydrology study
- Flight launch monitor

Lakes and Parks

- Loch Lomond – Additional covered slips
- Highlands Gun Range – New trap field
- General – New ranger boat

Water

- Replacement of all water meters

Announcements

The Beach at Lake Avalon

- Grand Opening on May 26th

Branchwood

- Closes for building construction on May 29th

Lake Ann

- Kayak Demo Day on June 2nd

Highlands

- Cooper Communities NWA Charity Classic. June 5th – June 9th
- Pro-Am June 5th

Scotsdale

- Winter Kill
- Closed through September 1st

Announcements Continued

Blowing Springs Park

- Fireflies & Tailgating on June 16th

The Country Club & Kingswood

- Rally in Pink Golf Tournament on June 19th

Lakepoint

- Surf & Turf on June 27th

Loch Lomond Park

- Bella Vista Independence Day Blues Festival on July 3rd
- Fireworks show to follow the music

Lakepoint

- Independence Day Celebration on July 3rd
- Fantastic BBQ, followed by the Fireworks show

“Odds and Ends”

Restaurant

- Lakepoint - 48 events currently contracted for 2018. Anticipate 10-20 additional by the end of this year.
- Lakepoint - Event revenue projected at \$225,000 for 2018. Original pro forma for 2018 was \$63,000.
- BV's – April sales of \$101,000 compared to a budget of \$71,000.

Membership

- Photo ID's
 - 2017 10,258
 - 2016 10,011
 - 2015 9,103
- Membership Transfer Fees
 - 2017 \$478,500
 - 2016 \$392,800
 - 2015 \$312,800

“Odds and Ends” Continued

Lakes

- Kayak registrations
 - 2017 3,110
 - 2016 2,642
 - 2015 2,290

City Building Permits

- YTD April 2018 97 On pace for 250 - 300
- All of 2017 194
- All of 2016 98

Scotsdale Greens

Winter Kill

- Record setting low temperatures.
- Too many nights at zero or below and too many consecutive days of freezing temperatures.
- Immature greens.
- Needed tarps designed for a winter similar to what we experienced.
- Other courses experienced the same issues this winter.

Why stay with Bermunda?

- The greens at Brittany, which are the same type of Bermunda, sustained significantly less winter kill. These greens are more mature.
- The greens at Scotsdale have inadequate internal drainage for Bent Grass greens.
- We will purchase tarps designed for harsh winters. We will be able to double up the tarps if we experience record cold again.

Using the Bent Grass from Berksdale

- Sodding Bent Grass at this time of year would have a low chance of success.
- The greens at Berksdale are smaller compared to Scotsdale.
- The Bent Grass at Berksdale is contaminated with *Poa Annua* (a weed).
- While there is not much Bermunda in the Scotsdale greens at this time, yet there is enough Bermunda to contaminate the Bent Grass.

Silver Lining

- We are going to take this opportunity to fix the 12th green.
- A contractor is already at work fixing this green.



2018 Board Election

Election Committee Members

Tom Throne, Chairperson

Bob Ritschel

Ann Dahlke

James Miller

Questions regarding open Board seat

1. How will the Board opening get filled?
2. I wrote in a candidate's name, are these votes counted?

Note: A full copy of the Governing Documents is available on the POA's website.

Bylaw, Article III:

Section 6. *Vacancies*- If a Director does not complete a term of office, the Board may elect an interim director to serve until the next succeeding meeting of Members.

Bylaw, Article III: Continued...

However, if the vacancy occurs between the time the ballots for the election have been printed and the annual meeting of Members for that year, the vacancy will be filled pursuant to these Bylaws and Article XII of the Articles of Incorporation by the newly elected Board after the annual meeting.

Bylaw, Article III: Continued

Section 6. Vacancies. ...any Member in good standing may request to be considered for service as an interim director by submitting a resume and being interviewed by the remaining Directors.

Precedent

The last two open positions were filled by the Board. A notice was sent to the community seeking candidates. Interested candidates submitted their resumes. All candidates were interviewed during the selection process.

Articles of Incorporation, Article XII:

Any vacancy occurring in the initial or any subsequent Board of Directors may be filled at any meeting of the Board of Directors by the affirmative vote of a majority of the remaining Directors...

Write In Candidates

- There is no provision in our governing documents which allows for Write In Candidates.
- All candidates must have been confirmed by January 25, 2018.
- The Election Committee determined that all Write In Votes are invalid. If these votes had been valid, the outcome of the election would not have changed.

Results of the Election

23.0% participation

Candidate	Votes	Elected
Mary Sinkus	4,076	3-Year Term
Pat Laury	3,341	1-Year Term
David Whelchel	3,664	3-Year Term
Louis "Lou" Wallman	1,767	
Jerre Barron Jr.	2,813	
William "Rex" Butler	2,589	
Jerold Hover	3,875	3-Year Term
William "Bill" Barr	3,067	
Mike Abb	3,004	



**Notice of the 53rd
Annual Meeting**

May 21, 2019



Thank you

The Board of Directors would like to acknowledge the time and commitment of our committee members and community volunteers which help make Bella Vista so special.

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Open Forum

Comments limited to three minutes



Adjournment
