



Board Work Session Meeting

March 17, 2022 – 9:00 a.m.

Boardroom at the Country Club

Agenda

- I. Call to Order
- II. Open Forum – Property Owner comments. Comments are limited to three minutes per property owner.
- III. Proposed Assessment Vote – August
- IV. Proposal to pay off the Water Bond early
- V. Corporate Secretary
- VI. **ANNOUNCEMENTS:**
 - a. **Board of Directors Regular Session** – Thursday, March 24th at 6:00 p.m. in the Boardroom at the Country Club and via Livestream.
 - b. **Board of Directors Voter Eligibility Cut-off**- Thursday, March 31st.
 - c. **Recreation JAC Meeting** – Monday, April 11th at 4:00 p.m. in the Boardroom at the Country Club and via Livestream.
 - d. **Lakes JAC Meeting** – Wednesday, April 13th at 2:00 pm. in the Boardroom at the Country Club and via Livestream.
 - e. **Golf JAC Meeting** – Wednesday, April 13th at 4:00 p.m. in the Boardroom at the Country Club and via Livestream.
 - f. **Board of Directors GM Meeting**–Thursday, April 14th at 2:30 p.m. in the Boardroom at the Country Club (CLOSED MEETING).
 - g. **Board of Directors Work Session**–Thursday, April 21st at 9:00 a.m. in the Boardroom at the Country Club and via Livestream.
 - h. **Board of Directors Regular Session**–Thursday, April 28th at 6:00 p.m. in the Boardroom at the Country Club and via Livestream.
- VII. Adjournment



From: Tom Judson, COO
To: Bella Vista POA Board of Directors
Date: March 8, 2022
Subject: Proposed Assessment Vote - August

I would like to propose an assessment increase of \$3 per month for improved properties. If approved by the Board, the membership vote would begin in mid-August and end in late September. If approved by the membership, the increase would go into effect on March 1, 2023.

From the member survey, and more specifically from the focus groups, property owners appear to be in favor of more frequent smaller increases, hence the modest request of a \$3 increase. Unfortunately, if we are unsuccessful in getting a modest increase approved, we will need to strongly consider raising some of our amenity fees. Attached you will find the proposed fee increases and the resulting increase in revenue. You will notice these amenity fee increases will bring in approximately \$565,000 annually, which is consistent with how much a \$3 increase will generate.

In my opinion, the 2020 Plan amenity fee structure is perfectly structured and I would hate to have to increase the fees, since I strongly suspect the increases will result in a decrease in usage. Up until the approval of the 2020 Plan, we saw 19 years of the vicious cycle of increased amenity fees, followed by a decrease in usage, followed by another increase in amenity fees to compensate for the decrease in usage. The approval of the 2020 Plan broke this cycle.

With steadily rising costs of operations, the best solution is to have the members vote on a modest increase of \$3 per month. If the assessment



increase is approved, this would ensure there would be no increase in amenity fees for another three years. This will give our members no increase in amenity fees for six straight years, from March 2020 through February 2026.

Attached you will find a sample marketing brochure for the proposed campaign. The work to prepare for an August vote will be extensive, hence the request at this time so we can begin the process to ensure we can execute a successful campaign.

Suggested Motion for the March 24th Regular Meeting

I make a motion for the Membership to take a vote on a \$3 per month increase in assessments for improved properties. The cut off date to determine members in good standing will be July 31st. The vote will commence on August 10th and will end on September 21st. A meeting of the membership to reveal the outcome of the vote will take place on September 21st at 6:00pm. If approved by the membership in accordance with the governing documents, the increase will go into effect on March 1, 2023.

FINANCIAL IMPACT OF A 2023 AMENITY FEE INCREASE

Note: 12 months used in calculations

	2021 Stats	Attrition	2020 Plan Fee	2023 Proposed Fee	2023 Increase/Change	Net Impact
Annual Golf Green Fee Plan						
Primary	551	10%	\$ 1,600	\$ 1,700	\$ 100	49,590
Secondary	96	10%	\$ 1,300	\$ 1,375	\$ 50	4,320
Green Fees (includes cart)						
18 Holes - Activity Card	23,569	10%	\$ 33	\$ 36	\$ 3	63,636
18 Holes - Member Card	2,329	10%	\$ 40	\$ 43	\$ 3	6,288
18 Holes - Guest	25,298	5%	\$ 52	\$ 55	\$ 3	72,099
9 Holes - Activity Card	11,760	10%	\$ 18	\$ 20	\$ 2	21,168
9 Holes - Member Card	481	10%	\$ 25	\$ 27	\$ 2	866
9 Holes - Guest	5,822	5%	\$ 35	\$ 37	\$ 2	11,062
Green Fees - w/annual seat lease or private cart						
18 Holes	21,414	10%	\$ 18	\$ 21	\$ 3	57,818
9 Holes	3,477	10%	\$ 12	\$ 14	\$ 2	6,259
Annual Boat Registration						
Under 18 Feet	749	10%	\$ 75	\$ 100	\$ 25	16,853
18 feet and over	1,184	10%	\$ 125	\$ 165	\$ 40	42,624
Annual Boat Mooring & Slip Rental						
Covered - The Marina at Lakepoint	34	2%	\$ 1,500	\$ 1,600	\$ 100	3,332
Uncovered - The Marina at Lakepoint	84	10%	\$ 500	\$ 550	\$ 50	3,780
Lake Windsor docks	45	10%	\$ 300	\$ 330	\$ 30	1,215
Activity Card						
First Member and Second Member	13,532	20%	\$ 30	\$ 40	\$ 10	108,256
Annual Fitness & Pool Pass	1,600		No Charge	\$ 60	\$ 60	96,000
NET IMPACT						<u>\$ 565,165</u>
Estimated Number of Improved Lots as of 3/1/23	15,700		\$ 37	\$ 40	\$ 3	565,200



Smaller increase. Continued benefits.

- NO change in the fee structure implemented as part of the 2020 Plan.
- This means Activity Card Members will enjoy continued unlimited use of our lakes, pools, beach, fitness/recreation facilities, range balls, green fees at Brittany Golf Course, and entrance to the Gun Range without paying a fee...for ANOTHER 3 years.
- Extends the 2020 Plan for three more years until March 2026.
- Fees that we eliminated and those that we reduced will remain the same.

While the 2020 Amenity Fee Structure is working, if the proposed Assessment Increase of \$3 per month for improved properties is not approved, we will have no other choice but to increase certain Amenity Fees.

We all moved to Bella Vista because we wanted a place to live and play away from the hustle and bustle of a larger city. This is an oasis for all of us and for many a place where you will be forever. We must continue to invest in it and care for it.

Invest in the future of Bella Vista. No change in amenity usage fees for three years for just \$3 more per month for improved lots.

The 2020 Plan is working. It has demonstrated to us that by appropriately increasing our assessments periodically we can avoid charging Members additional fees for most of our amenities. And for amenities like golf, boating and fitness, we can maintain the lower fees we instituted with the 2020 Plan. All this continues for 3 more years for just \$3 more per month for improved lots.

Questions? Email: 3for3plan@bvvpoa.com



Success Story



The 2020 Plan - a story of success!

In 2020, the property owners of Bella Vista made a crucial decision that it was time to invest in the future of our community. The first assessment increase in 19 years was coupled with a complete overhaul of the fee structure. The 2020 Plan eliminated dozens of fees and reduced many other Member fees.

The 2020 Plan has delivered as promised.

- Usage of all our amenities is up across the board.
- 16,000 Members have Activity Cards -- a 60% increase compared to 2019.
- Golf course usage along with usage of the driving ranges has increased.
- Boat registrations are up along with activities at our fitness centers.
- Our restaurants are all doing significantly better than they were in 2019.

The increased assessment allowed us to:

- Invest in capital improvements and to better maintain the daily operations.
- Cover the costs of the Trafalgar fire and continue to build our reserves.

The promises we made with the 2020 Plan have been kept. The community we cherish is stronger and better today because of your decision to pass the 2020 Plan.

Continue the investment.

Bella Vista put itself behind the eight ball by failing to invest through assessment increases for 19 years. It meant we had to vote for a single, large assessment to catch up. Following that same pattern will once again result in our community finding itself at another disadvantage.

We can avoid the vicious cycle of continuously raising amenity fees by voting to approve **SMALLER assessment increases providing CONTINUED benefits**. This approach will ensure our community stays on strong financial footing and can continue to invest in its future.

Therefore, the Board is going to ask the Members of Bella Vista to vote for a \$3 per month assessment increase for improved lots to take effect next year in March of 2023.

While the 2020 Amenity Fee Structure is working, if the improved properties is not approved, we will have r

Fees	Current 2020 Amenity Fees Structure	Proposed Amenity Fees if \$3 Increase is not approved	Increase
Annual Golf Green Fee Plan			
Primary	\$ 1,600	\$ 1,700	\$100 Annually
Secondary	\$ 1,300	\$ 1,375	\$75 Annually
Green Fees (includes cart)			
18 Holes - Activity Card	\$ 33	\$ 36	\$3 per round
18 Holes - Member Card	\$ 40	\$ 43	\$3 per round
18 Holes - Guest	\$ 52	\$ 55	\$3 per round
10 Play Pre-Pay	\$ 330	\$ 360	\$30 increase
9 Holes - Activity Card	\$ 18	\$ 20	\$2 per round
9 Holes - Member Card	\$ 25	\$ 27	\$2 per round
9 Holes - Guest	\$ 35	\$ 37	\$2 per round
Green Fees - w/annual seat lease or private cart			
18 Holes	\$ 18	\$ 21	\$3 per round
9 Holes	\$ 12	\$ 14	\$2 per round
Annual Boat Registration			
Under 18 Feet	\$ 75	\$ 100	\$25 Annually
18 feet and over	\$ 125	\$ 165	\$40 Annually
Annual Boat Mooring & Slip Rental			
Covered - The Marina at Lakepoint	\$ 1,500	\$ 1,600	\$100 Annually
Uncovered - The Marina at Lakepoint	\$ 500	\$ 550	\$50 Annually
Lake Windsor docks	\$ 300	\$ 330	\$30 Annually
Activity Card			
First Member and Second Member	\$ 30	\$ 40	\$10 Annually
Annual Fitness & Pool Pass	Included with Activity Card	\$ 60	\$60 Annually

If the proposed \$3 per month Assessment Increase is approved, the current 2020 Amenity I

The proposed Assessment Increase of \$3 per month for no other choice but to increase certain Amenity Fees.

Examples	Current Fees	Proposed Fees if Increase is NOT approved
Example #1 - Golfing Couple		
Annual Golf Membership - Primary	1,600	1,700
Annual Golf - Secondary	1,300	1,375
Activity Cards (2)	60	80
Total	2,960	3,155
Increase in Fees if the Assessment Increase of \$3 per month is NOT approved.		195
Example #2 - Single Boater/Fitness Center User		
Annual Boat Registration - 18 feet and over	125	165
Annual Boat Mooring - Uncovered - The Marina at Lakepoint	500	550
Activity Card	30	40
Annual Fitness & Pool Pass	-	60
Total	655	815
Increase in Fees if the Assessment Increase of \$3 per month is NOT approved.		160
Example #3 - Single Golfer/Fitness Center User		
Golf - 18 Holes - Activity Card (assume 12 rounds annually)	396	432
Activity Card	30	40
Annual Fitness & Pool Pass	-	60
Total	426	532
Increase in Fees if the Assessment Increase of \$3 per month is NOT approved.		106

Fee Structure will be guaranteed to remain the same for three more years (till March 2026).



From: Tom Judson, COO
To: Bella Vista POA Board of Directors
Date: March 10, 2022
Subject: Final Water Bond Payment

Our goal over the last few years has been to pay off the Water Bond early to reduce our debt and save on interest expense. Attached you will find a memo dated October 2, 2020. Contained in this memo was a detailed plan on how to pay off the Water Bond in an accelerated manner. As part of this accelerated payment plan, the first installment of \$1.6 million was paid in 2021, followed by a second installment of \$1.5 million which was paid in January of this year. The Board approved a third and final bond payment as part of the 2022 Budget, with the payment to be made in January of 2023.

As a result of additional research, we learned that the final payment of the bond debt can be made at any point in time (payments other than the final payment are far more restrictive). By taking advantage of the option of making the final payment even earlier than planned, would result in an interest savings of \$37K. If the Board elected to act early, the final payment would need to be made by March 31, 2022. This would require the board to approve a final payment of \$1,506,375. Keep in mind this final payment includes \$550,000 in required annual payments. If we elect not to make the \$1,506,375 payment by March 31st, a \$550,000 payment would still be required in 2022.

One concern discussed in the past with paying off the bond early was that it could potentially create a drain on funds for the Water Department.



However, the Water Department's strong financial performance continues to mitigate this concern. Even with this accelerated final payment, the Water Department would still have sufficient funds in the event of a significant unexpected expense. The Water department cash balance as of January 31, 2022 was \$3.5M. This balance of \$3.5 million was after the January 2022 early payment of \$1.5 million which was mentioned earlier.

Management's Recommendation

We recommend we take advantage of the \$37K interest savings by accelerating the last and final payment of \$1,506,375 and making this payment by March 31, 2022. This will be the final Water Bond payment and the debt will be paid off in full.

Suggested Motion for the March 24th Regular Meeting

I make a motion authorizing Management to make the final Water Bond payment, estimated at \$1,506,375, by March 31, 2022.



From: Tom Judson, COO
To: Bella Vista POA Board of Directors
Date: March 2, 2022
Subject: New Corporate Secretary

Suggested Motion for the March 24th Regular Meeting

I make a motion naming Jessica McCrary as the new Corporate Secretary for the POA.