

WORK SESSION NOTES
OF THE HOT SPRINGS VILLAGE
PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS
WED., JUNE 2, 2010, 9:00 A.M.
OUACHITA BUILDING

A work session meeting of the Hot Springs Village Property Owners' Association Board of Directors was held Wednesday, June 2, 2010, 9:00 a.m. at the Ouachita Building.

Board members attending were: President Bill Linam, V.P. Mike Misch, Directors Jeff Atkins, Bob Brandt, Katie Feather, Jerry Kosoglow and Jim Owens.

Attending from staff were: General Manager Dave Johnston, Treasurer Wayne Copeland, Asst. to the Gen. Mgr. Linda Mayhood, Director of Public Safety Laroy Cornett, Director of Public Works David Whitlow, Director of Planning & Inspections Steve White, Director of Recreation Larry Koonse, Director of Golf John Paul, and Secretary Suzette Tadlock.
Absent: Stacy Hoover.

Also attending were Jeff Smith, Sentinel Record, Holly Daste, Village Voice and Diane Upchurch for KVRE 92.9 Radio.

Approximately 35 people were in the audience.

- Call to order: President Linam called the meeting to order at 9:00 a.m.
- Prayer: Director Jerry Kosoglow gave the prayer followed by the pledge of allegiance led by Dan Stockford.
- Proclamation: President Linam read and presented a proclamation for National Garden Week to Anne Inloes.
- Guests: President Linam called on guests in the audience.
- Order of Business: The order of business was approved as submitted.
- President's Comments: None.
- Board Comments: Bob Brandt read a quote.
- Fireworks Fundraising: Tom Arwood reported on fireworks fundraising. He advised that in 29 days they have met the goal of collecting \$20,000 required to pay for the fireworks. Others who worked with Mr. Arwood to reach the goal were: Jim Zahnd, Jeff Hollansworth, Dan Aylward, John Tidquist, Tom Bryant and Keith Brown. Mr. Arwood recommended that funds be officially shut down as they have reached their goal. Mr. Arwood stated funds will be put into a separate account of the Village Community Foundation to pay the bills associated with the fireworks display. Tom Arwood thanked KVRE and the Village Voice and everyone who worked on this project and donated to this fund. President Linam thanked Tom Arwood and everyone involved as well.

Gen. Mgr.'s Report: President Linam asked Chief Cornett to summarize his report attached to the General Manager's Report regarding Immigration and Customs Enforcement (ICE); Work Pass Policy Procedures and Enforcement. Discussion followed. Chief Cornett advised 98.6% of the offenses are committed by the Villagers and/or relatives or guests. Chief Cornett advised the most effective way is to hold the employer responsible. V.P. Misch stated he believed we are currently dealing with this problem very well and that the POA does not have immunity like municipalities do. President Linam advised it might be time to have an overall review of Chp. 3, Article 1, Ingress and Egress policy with Chief Cornett's recommendations for amendment.

President Linam advised a request to change the leash laws on the trails is being reviewed at the next Trails Committee meeting.

Discussion of Cortez Beach retaining wall was held. Resident Dan Stockford has been working with the staff for a solution for Cortez Beach. Director Brandt asked if there was any consideration for tearing the wall down at Cortez Beach. Larry Koonse advised tearing down the wall was discussed but they did not recommend it. Larry Koonse advised they are still looking at a handrail across the front or a pier type system. Mr. Stockford advised they don't want a handrail which would hinder the view of the lake. He recommended this be left until Fall and not to install a railing. He requested pea gravel and to get rid of the trash on the east end of the beach so the women could walk down a gentle slope. David Whitlow will see that the large rocks will be removed that have washed up at the base of the walls until a more permanent solution. Director Brandt advised if there is a safety problem to do something about it. Director Feather was concerned with the drop-off.

Questions from Audience: None.

New Business:

Appt. to Gov. Affairs Com.: Linda Mayhood advised that Dan Aylward is being recommended for appointment to the Governmental Affairs Committee for a term to expire April 2011. This will be on the agenda for the June 16, 2010 regular meeting.

Appt. to Trails Com.: David Whitlow advised Steve Rittenmeyer is being recommended for appointment to the Trails Committee for a term to expire April 2013. This will be on the agenda for the June 16, 2010 regular meeting.

Granada Food & Bev. Lease: Linda Mayhood advised that Tom and Susan Brunette were being recommended for operation of the Granada Restaurant. A special

meeting will be held following the work session to approve this. Director Brandt read a statement relative to the mix-up involved in choosing the Granada Restaurant operator.

2011 Budget Parameters: Dave Johnston reviewed his memo of May 28, 2010 relative to eight budget parameters identified at the Board's retreat on Fri., May 21, 2010 listed below:

1. To have a balanced budget with a \$1.5 million unrestricted balance on 12-31-11.
2. To balance expenditures (operating, capital and reserve deposits) with revenues without reliance on any external borrowing.
3. To contribute \$400,000 to the Water Department reserve account.
4. To contribute net timber sales revenue to the Capital reserve account.
5. The increase in operating expenses shall be less than 90% of the increase in revenue based on latest year-to-date projections.
6. To use as an inflationary guide the Consumer Price Index for the South Region, All Items on 6/30/10 for the previous 12 months period.
7. Use \$2.3 million as the difference between assessment revenue and cash received.
8. To appropriate \$1,350,000 to the Street Maintenance program.

Mr. Johnston advised Director Kosoglow had suggested identifying the commitments under the assessment increase to make sure they are followed up on i.e. 1) Resources we are applying toward the Advertising and Promotion; 2) Support for debt service from assessment dollars for wastewater treatment update to meet ADEQ standards; 3) Additional amount of funds related to expediting capital replacement that has been diminished due to cash flow over the last couple of years. It was the consensus of the Board that Mr. Johnston should add three more parameters to include these commitments. This will be on the June 16, 2010 regular Board meeting agenda.

Print Management Contract: Charles Williams addressed the Board to enter into a three year Print Management Contract with Data Max Systems. Discussion

followed. This matter will be on the agenda for the June 16, 2010 work session agenda.

Amendment to Ambulance Service Agreement:

Dave Johnston discussed amendment to the Ambulance Service Agreement with LifeNet, Inc. to amend Paragraph 11 of the Ambulance Service Agreement dated November 21, 2007 to transfer the responsibility of dispatching ambulances from the POA to the ambulance provider, LifeNet, Inc. Discussion followed. This matter will be on the special meeting agenda following the work session.

Questions from Audience:

Dan Stockford discussed the minimum water rate fee . He advised the projected goal of 2,000 gallons per month minimum water usage was not acceptable to him and would like to see it go back to 4,000 gallons. He listed several methods of water conservation he uses and yet he still pays a water overage. It was the opinion that this hurt residents with families who have to do a lot of clothes washing. He stated residents were being taxed \$3.38 over the amount allocated. Mr. Stockford asked if the Water Dept. has a water conservation plan if one is required and Mr. Whitlow advised they did.

President Linam commented this gives people an opportunity to make some decisions about their usage and expenditures. He advised HSV is one of the few places where we have this type of minimum for water usage. Initially HSV had a water system put in with no meters and everyone paid the same no matter how much they used. When POA started metering water service, 60% of the residents didn't use over the minimum and it should be between 5 and 15%. People who used a lot of water were asking people who didn't to pay part of their water. By lowering the minimum it recognizes the fact that people can now make a decision about how they spend their dollars. The minimum amount should ensure that people have enough water for basic hygiene and after that people that use it pay for it. Water used for watering grass has to go through a water treatment plant and this is what is expensive.

Dave Johnston advised we have a water cost center and revenue is recorded in this cost center so it does reflect the revenue and expense related to water production and services. The water revenue was under budget for 2009. Surrounding communities are all at the 1,000 – 2,000 minimum gallon requirement range. Last year at the Board retreat the Board agreed the target for minimum water would be 2,000 gallons which will be reduced 250 gallons per year until we reach 2,000 minimum gallons.

Adjournment:

The work session meeting adjourned at 10:10 a.m. which was followed by a special meeting.