

REGULAR MEETING OF THE
HOT SPRINGS VILLAGE
PROPERTY OWNERS' ASSOCIATION
BOARD OF DIRECTORS
9:00 A.M., WED., SEPTEMBER 21, 2011
OUACHITA BUILDING

A regular meeting of the Hot Springs Village Property Owners' Association Board of Directors was held at 9:00 a.m., Wednesday, September 21, 2011 at the Ouachita Building of the Ponce de Leon Center.

Board members attending were: President Jerry Kosoglow, Vice President John Cooney, Bob Brandt, Tom Bryant, Katie Feather, Mike Misch and Jim Owens.

Attending from staff were: General Manager Scott Randall, Chief Financial Officer Don Yucuis, Asst. to the General Manager Linda Mayhood, Attorney Don Schnipper, Dir. of Public Safety Laroy Cornett, Dir. of Planning & Inspections Steve White, Dir. of Golf John Paul, Dir. of Recreation & Club Services Stephanie Stone, Director of Public Works Randy Noles, and Administrative Asst. to the General Manager Suzette Tadlock.

Also attending: Holly Daste, Village Voice and Jeff Smith, Sentinel Record.

Approximately 50 people were in the audience.

Call to Order: President Kosoglow called the meeting to order at 9:00 a.m.

Prayer/Pledge: Katie Feather gave the prayer followed by the pledge of allegiance led by Keith Brown.

Proclamation: President Kosoglow read and presented a Proclamation Recognizing the 25th Anniversary of the Hot Springs/Hot Springs Village Symphony Guild to Mrs. Pat Pike and a Proclamation for Constitution Week was read and presented to Mickey Stant and Sylvia Mathews.

Introduction of Guests: President Kosoglow called on guests in the audience.

Order of Business: The order of business was approved with the addition of an executive session following the regular meeting upon motion by Director Brandt, SECONDED by V.P. Cooney and unanimously APPROVED.

Minutes/Notes: The minutes of August 17, 2011 regular meeting and September 7, 2011 work session were APPROVED as submitted upon MOTION by Director Bryant, SECONDED by V.P. Cooney and unanimously APPROVED.

Guests: Amanda Sarver, Broadcasting Teacher from Jessieville High School, was introduced. V.P. Cooney advised this was the first

meeting that would be taped for broadcasting on You Tube and Suddenlink's Channel 13 by the Jessieville High School.

President's Remarks:

President Kosoglow stated the Board had spent eight hours on public review of the 2012-2014 Operating Budget for the POA and thanked Scott Randall for suggesting this forum. He stated it was a good format for us to use in the future. He also thanked Scott and staff for the tremendous amount of work in preparing this budget. He also thanked the property owners who attended these three meetings and communicated feedback with the Board members and staff. Scott's efforts in the proposed budget were primarily to help build operating cash reserves to provide funds for us, particularly in the areas of cash investment in the Village. We have been very conservative about our capital spending and as a result have gotten behind on several key projects to keep the Village the way we want it to be. The efforts in this proposed budget were largely oriented toward building those cash reserves so that we can start doing some of these capital projects. The Board went through the three reviews with the intention of waiting for the full review to be completed before we provided any recommendations for adjustments or changes to the proposed budget. We will be working on that as our next steps and will be taking some time to review all the inputs and details around the budget and provide recommendations to Scott and staff for adjustments that we might see as necessary to the proposed budget. These recommendations will be provided to the property owners via the POA website and press. Our plan is to review the adjusted budget at the October 5 work session and final approval at the October 19 regular meeting.

Board Comments:

Director Bryant advised that he thought the budget process was a tremendous improvement over what the process has been before and thanked Scott.

Director Feather stated Jessieville High School won the District for Golf on Monday and the Medalist was Macy Burr, her granddaughter.

V.P. Cooney appreciated the budget process and input from the property owners. Also, Good Samaritan celebrated their 25th anniversary last week. Karen Lauck's retirement party was attended by over 250 people and stated it was a very deserving recognition of a leader that built the Ponce de Leon Center and wished her the very best in the future.

Director Brandt echoed the comments of the other Directors and read a quote.

Director Owens advised the budget process has been very interesting and open and as transparent as possible and that it is not over yet.

Director Misch commended, Scott, Don and staff on the budget.

Gen. Mgr. & Dept. Report: Scott Randall gave the General Manager's Report. He thanked everybody for their kind words. He advised he and staff have been working on a revised, expanded and more transparent budget process since beginning in January and it has been one of Don Yucuis' focus since arriving in mid April.

Mr. Randall advised today is the first recording of the Board's meeting to make public on the POA website on You Tube. He expressed thanks to Jessieville High School staff and students for their participation in this endeavor. We are excited about being able to share this information with other property owners who might not be able to attend the Board meetings. He advised we have 1,529 subscribers to E-blast to date. 7,100 ballots have been received on the Declaration amendment. This does not include the POA's ballots. Dannel Botkin has been hired as the Marketing Manager to assume responsibility for the POA's advertising and promotional efforts. She will begin her duties October 17. The Village will be hosting an electronic recycling event on Saturday, October 1, 8 a.m. to 4 p.m., sponsored by Saline County to environmentally and properly dispose of electronic items in the landfill. This will not include white goods.

Discussion of the General Manager's Report followed. President Kosoglow asked about a report on status of outstanding complaints. Mr. Randall advised they would work on a status report.

Director Misch asked for Laroy Cornett to update the Board on the increase in incidents over last year at the next Board meeting.

Treasurer's Report: Don Yucuis thanked the Board for their comments on the budget process. Mr. Yucuis reviewed the August Financial Report (see attached). Discussion followed.

Director of Golf John Paul responded to questions relative to lost golf revenues.

Committee Reports: President Kosoglow called on committee representatives for their comments.

Committee Reports Recvd.: The following Standing Committee minutes were received and filed: Architectural Control 8-18-11, 9-1-11; Common Property 9-12-11; Golf 8-11-11; Governmental Affairs 8-5-11; Lakes & Water 8-10-11; Public Works 8-18-11; Recreation 9-12-11; Trails 8-16-11.

Questions Re: Remaining President Kosoglow called for questions or comments relative to

Agenda Items: the remaining agenda items.

Bill Monson representing the Holy Trinity Episcopal Church stated their objection to the change in trash collection rates. He stated it appears that churches would be considered as commercial property. The Church felt for their small amount of trash the fee to go from \$14 to \$80 a month was unfair. They think the smaller commercial users should not pay the higher rate and asked for an amendment to this policy to not pay the higher rate.

Mary Moran asked about receiving a summary of employees report that used to be provided with the finance report.

NEW BUSINESS:

Renewal of Solid Waste Agreement:

Dir. of Public Works advised that for many years the POA has had an Agreement with both the Saline County Regional Solid Waste Management district and Garland County regarding the disposal of solid waste generated within the Village. The existing Agreement expires on September 30, 2011. He requested approval of a successor agreement for a two year term, which stipulates the Village will continue to pay Garland County the current per ton county wide charges charged per ton for all solid waste transported to their transfer station. Previous references to Saline County and the payment of \$45,000 annually for diverted waste have been removed.

Director Bryant MOVED to approve the Solid Waste Agreement between Hot Springs Village, Garland County, Saline County Regional Solid Waste Management District and Southwest Central Regional Solid Waste Management District. Director Brandt SECONDED the motion. Discussion followed.

Director Owens asked about the per ton cost. He stated it appears to be variable and could change during the course of the contract.

Randy Noles advised that when he spoke to Garland County representative Paul Thompson he was told that he would try to maintain the \$34 per ton fee but could not guarantee it depending on fuel charges but that it would not be extremely higher. He stated this was not included in the latest draft.

Mr. Randall stated they could take this back to Garland County and try to work this out again. He was surprised the \$34 per ton fee was left out as it was in there at the work session.

Director Feather MOVED to postpone this motion until the next meeting. Director Bryant SECONDED the motion. The motion was unanimously APPROVED.

Lease Agreement for Pink Olive/19th Hole:

Linda Mayhood stated due to timing issues and other financial concerns the board was previously polled by e-mail, without objection, to allow Mr. Frank Odeh to begin operations on September 1st. She reviewed the significant items contained in the Lease Agreement (see memo attached).

Director Feather MOVED to approve the food and beverage operation and lease agreement with Frank Odeh to provide food and beverage services at the 19th Hole. Director Bryant SECONDED the motion. The motion was unanimously APPROVED.

Change in Trash Collection Practices & Rates:

Randy Noles reviewed the request to change trash collection practices and rates based on staff's recommendations to our solid waste collection and billing practices. Our motive is to make our collection procedures more productive and cost efficient. The recommendations intend to reduce the number of weekly collections through both rate adjustments and mandatory service changes.

After hearing public comments, allowing the Townhouse Association to poll its members, and giving commercial vendors the opportunity to voice their opinion, staff continues to recommend three changes to our existing collection and billing policies and practices. These changes could constitute tremendous savings in our solid waste collections service.

Commercial Rate Structure -- Presently, our rate structure does not distinguish between the number of bins collected and the frequency that those bins are collected on a weekly basis. Thus, a customer subscribing to one bin for twice-a-week collection pays the same as a customer subscribing for two bins with once a week collection. Obviously, the POA's costs are significantly greater for the former than they are the latter.

The proposed rate schedule is based upon a 10% surcharge for the customer subscribing for the collection of one container twice-a-week compared to the customer who subscribes for two containers with one collection per week. Likewise, a 20% surcharge would be imposed for those who subscribe for three collections per week.

Commercial Containers - - It is also recommended that all commercial properties be required to use the POA's three cubic yard dumpsters. Currently, there are approximately forty-five commercial accounts (representing 25% of our commercial establishments) that are using residential cans and paying residential rates. We do allow commercial customers to share containers and have a mechanism in place whereby collection costs

can be allocated among multiple users. This will create equality in sanitation rates to all commercial vendors.

Multifamily Collections - - Currently, numerous multifamily developments, collectively containing 807 housing units, receive twice-a-week collection while paying the same residential rate (\$14 per mo.) as a single family customer receiving once-a-week service. After polling all townhouse residents, each court overwhelmingly supported once a week pick up. In total, THA owners voted 415-63 for this change. This will eliminate one complete trash route twice a week.

Director Bryant move to approve the recommended changes in trash collection practices, including a new commercial rate structure; require all commercial vendors to use a commercial container; and eliminate twice per week collections in multi-family townhomes. Director Owens **SECONDED** the motion. Discussion followed.

Director Feather asked about the concern Mr. Monson voiced today relative to churches being charged commercial rates. Mr. Randall advised there are approximately 188 commercial accounts and about a quarter of them have chosen to use residential containers. Director Owens stated that churches do business as commercial operations. Mr. Randall stated we were asked for relief predominantly because of volume and we do not have a volume based system; we have a service based system. Mr. Randall was not sure if we require service if a church wanted to make other arrangements, he said this was a slippery slope.

If they want twice a week pickup they will pay the \$25.00. Mr. Randall advised the implementation of this was to be December 1 so that we have an opportunity to notify all potentially affected property owners. It is our anticipation that the budget and decision whether we go to one man trucks and mechanized collections with new containers will be made on October 17. We will need to revisit all of this if the Board does not move in this direction.

V.P. Cooney stated the recommendation by the Townhouse Association to go to once a week pickup was based on an assumption that we move to the new trucks and trash cans. This was not approved. If we say yes to this, we are not saying yes to the rate for the townhouses.

Mr. Randall advised that if we delay the decision on this we won't have 60 days notice to property owners. We will either have to delay implementation or provide less notice.

Director Feather MOVED to amend the motion to approve everything but multi-family. No second.

V.P. Cooney would like to make sure that we treat Churches as commercial in all other fee and commercial rates and that we be consistent. Mr. Randall advised we need to look into this.

V.P. Cooney MOVED to amend the motion to approve the recommended changes in trash collection practices including a new commercial rate structure and require all commercial vendors to use a commercial container, excluding churches. Director Owens SECONDED the motion. Discussion followed.

Director Owens MOVED to table this issue until we have more detail. Director Feather SECONDED the motion. The motion CARRIED with five voting in favor and Director Bryant voting against.

HSV Chamber Agreement: Mr. Randall advised the POA has had an ongoing partnership with the HSV Chamber of Commerce for many years regarding advertising and promotion. With the Board's decision to take this back in-house the existing agreement needs to be terminated. This agreement expires December 31, 2011. We do anticipate a successor agreement. This does not change the current relationship. We are fully committed to the approved work program and financing of this program in amount of \$303,000 and expect it will be completed the end of the year.

V.P. Cooney MOVED to terminate the existing Agreement and all existing amendments for advertising and promotional services between Hot Springs Village Property Owners' Association and the Hot Springs Village Chamber of Commerce. Director Owens SECONDED the motion. The motion was unanimously APPROVED.

Break: The meeting was recessed for a break at 10:10 a.m. to 10:15 a.m.

Bylaw Amendment: Steve White reviewed the proposed amendment to Article XII, Section 1-D to the POA Bylaws which would delete the requirement that all appointments to standing committees be for three year terms, instead allowing for the appropriate length of term to be established by each Committee's Charters.

V.P. Cooney MOVED to revise the current bylaws to change appointments to standing committees from three year terms to terms consistent with each Committee's charter. Director Owens SECONDED the motion. Discussion followed. Director Owens requested assurance that each committee charter specify the length of terms. The motion was unanimously APPROVED.

Amendment to ACC Charter: Steve White reviewed proposed amendment to the ACC Charter to the following:

- (IV-A) Deleted “All new members shall be appointed by the POA Board of Directors”.
- (VI-B) Amended to read “To establish criteria for any and all signs on private property exclusive of street identification, traffic control signs, and POA signs on POA property. All signs in the road right of ways will be approved by ACC as to color and size and approved by Public Works as to the location.”
- Concern over a conflict between POA By-Laws and this Charter are proposed to be resolved by amending the POA By-Laws.

Director Brandt MOVED to approve the ACC Charter as presented. Director Bryant SECONDED the motion. Discussion followed.

Director Brandt MOVED to amend the motion to amend VI. B. to read “To establish criteria for any and all signs exclusive of street identification and traffic control signs.” Director Misch SECONDED the motion. Discussion followed. The motion was unanimously APPROVED.

The main motion as amended was unanimously APPROVED.

Amendment to ACC Policies & Procedures: Steve White reviewed proposed amendments to the ACC’s existing policies and procedures as follows:

- Article 1 – ACC Policy renaming and numbering items.
- Article 2 – ACC Permit and Appeal Process is new.
- Article 3 – In-Home Business was moved to a procedure.
- Article 6 – Parking and Storage of Certain Vehicles in Residential Areas was renumbered as Article 3.
- New Homes – Adds the requirement that landscaping be completed prior to final inspection.
- Signs – To restrict at all gates; requests in right of way to be approved by Public Works; and allows reader boards on a case by case basis.
- Boat Docks – Renamed Water Front Structures.
- Streamlines permit applications is proposed for Alterations and Additions, Fencing & Screening, Irrigation systems, Landscaping & Seawalls, Propane Tanks, Storage & Outbuildings, Swimming Pools, Tree Cutting, and Water Front Structures.

Director Brandt MOVED to approve amendments to the ACC Policies and Procedures. V.P. Cooney SECONDED the motion. Discussion followed. It was noted that a fee of \$100 for an appeal was listed in the policy.

Director Brandt MOVED to amend the motion to read “Fees are set by the Board”. Director Feather SECONDED the motion. Discussion followed. Director Owens felt all fees should be removed because they will have to be continually changed to reflect the current fee. Following discussion, the motion was unanimously APPROVED.

The main motion as amended was unanimously APPROVED.

DeSoto Club Roof Repair: Stephanie Stone reviewed proposal to replace the flat roof membrane of the DeSoto Club. Three vendors responded to the Request for Proposal. It was her recommendation to go with the low bid of HB Greenstar Roofing in amount of \$47,849.96.

Director Feather MOVED to approve to replace the flat top roof membrane at the DeSoto Club. Director Owens SECONDED the motion. Discussion followed. Concern was expressed over the large variances between the bids. Stephanie stated that after checking the references on HB Greenstar Roofing that she saw no reason not to go with them. Randy Noles advised he reviewed the bids and couldn't find any justification in the bids with all things being equal. Concern was voiced that there would be proper oversight of this project.

Director Feather MOVED to amend the motion to include the bid of HB Greenstar Roofing for the replacement of the flat top roof membrane of the DeSoto Club in amount of \$47,849.96. Director Bryant SECONDED the motion. The motion was unanimously APPROVED.

The main motion was unanimously APPROVED.

JAIL PROPOSAL: Scott Randall reviewed a proposed resolution endorsed by the Governmental Affairs Committee supporting the Garland County's sales tax initiative to build and operate a new detention facility.

Director Misch MOVED to approve the following Resolution: “That the Hot Springs Village Property Owners' Association Board of Directors does hereby endorse and support the Garland County sales tax proposal for the purpose of construction and operating a new jail; and encourage our Garland County residents to vote in favor of this proposition.” Director Feather SECONDED the motion. The motion was unanimously APPROVED.

Questions from Audience: Mr. Brent Doss asked that consideration be given for our weather pattern when determining the drawdown of our lakes.

Lester Fikes, visiting property owner, stated he was here to have his lot cleaned up from damage by the tornado. He discussed the need to have a Construction Manager oversee projects and asked about the Declaration amendment quorum requirements.

Adjournment: The meeting was adjourned at 11:00 a.m. upon motion by Director Brandt, SECONDED by Director Feather and unanimously APPROVED.

Executive Session: An executive session was held following the regular meeting.

President

Secretary