

WORK SESSION MEETING OF THE
HOT SPRINGS VILLAGE
PROPERTY OWNERS' ASSOCIATION
BOARD OF DIRECTORS
9:00 A.M., SEPTEMBER 7, 2011
OUACHITA BUILDING

A work session meeting of the Hot Springs Village Property Owners' Association Board of Directors was held at 9:00 a.m., Wednesday, September 7, 2011 at the Ouachita Building of the Ponce de Leon Center.

Board members attending were: President Jerry Kosoglow, V.P. 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 Gen. Mgr. Linda Mayhood, Dir. of Golf John Paul, Dir. of Recreation and Club Services Stephanie Stone, Dir. of Public Safety Laroy Cornett, Dir. of Planning and Inspections Steve White and Secretary Suzette Tadlock. Absent: Dir. of Public Works Randy Noles.

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

Approximately 40 people were in the audience.

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

Prayer/Pledge: Director Brandt gave the prayer followed by the pledge of allegiance led by President Kosoglow.

Presentation: President Kosoglow advised that Bobby DeLoach, President of the Hot Springs Village Evening Lions Club and other Club members, were in attendance to donate proceeds from their bingo night in amount of \$1,700 to the J.R. Fisher Children's College Fund. General Manager Scott Randall, along with Karen Fisher, accepted this check with thanks and appreciation.

Order of Business: President Kosoglow advised that he and Director Bryant would be leaving at 8:45 a.m. in order to attend a memorial service. The order of business was approved as amended by moving items 12. and 13. to the bottom of the New Business discussion.

President's Comments: President Kosoglow advised that based on feedback from many property owners there was not a solid consensus among the Board members to do away with the work sessions and, therefore, he was deferring a decision at this time and would continue with the current practice of having a work session as well as a regular board meeting.

Board Member Comments: Director Brandt advised that he saw C.F.O. Don Yucuis picking pine needles out of a grate to let water flow and thanked Don for doing this. He read a quote by Harry Truman.

Director Misch stated ballots on the Declaration amendment would be mailed out Friday and urged property owners to vote in favor.

Director Feather encouraged everyone to sign up for the Cancer Walk on Saturday at Cortez Pavilion, 7:30 a.m.

V.P. Cooney reminded everyone of the budget reviews on September 7, 12 and 19, 4:00 p.m. – 6:00 p.m. at the Ouachita Bldg. He urged everyone to attend and give their comments. He also advised Good Samaritan is celebrating their 25th anniversary on September 18. Board meetings will be on the web beginning with the next meeting.

Gen. Mgr.'s Report:

Scott Randall gave the General Manager's Report. He stated the proposed budget is a three year financial plan beginning January 1, 2012 through December 31, 2014 along with a five year Capital Improvement Program. A summary of the budget is available at the POA, Coronado Center Library as well as on the POA website. Mr. Randall advised that Layne Wagoner has been promoted to the position of Human Resource Manager. To date more than 1300 subscribers have signed up for the E-blast. Jessierville Communication Class will begin taping Board meetings starting September 21. The Declaration presentation will be on the website shortly.

Discussion of the General Manager's Report followed.

Director Misch commended the General Manager for selling water to the community of Paron. He believed this was the right thing to do and will pay us back in benefits down the road.

Director Owen asked about the time table for the water treatment plant review by Garver. Mr. Randall advised the existing facility is being inspected by an original manufacturing representative with a report due back in 30 days. Garver will have another meeting having to do with the manufacturing rep's recommendation relative to the ability to retrofit some of the existing equipment. As a result of this review, POA will submit a new proposal to the ADPH regarding the proposed plant expansion shortly thereafter.

Mr. Randall advised the DeSoto Club roof damage was the result of water damage from the rooftop A/C equipment. Work is expected to commence the first of October.

Director Brandt asked if consideration had been given to delaying the lake drawdown by a couple of months so that people can have full use of the lake. He asked if this was from tradition or seasonal conditions that it is drawn down October 1. Mr. Randall advised that what drives the lake drawdown is not as much the shore liners and their repairs, it's the lake maintenance the POA needs to undertake i.e. dams, weirs, inspections, intakes and it is part of an approved plan with the State. He will get more information on the amount of the drawdown and

duration and whether these are tasks that can be completed in a four month period versus a five or six month period.

Director Feather asked about the Marketing Manager. Mr. Randall advised three candidates have been interviewed and feedback received from the interviewers. He is assessing all the feedback and is very close to a decision.

Standing Comm. Comments: Don Langston, Chair of the Lakes and Water Committee, reported on the proposal to change the water sport start time from 9:00 a.m. to eliminating it so it would default to the State regulations. The recommendation made was withdrawn for reconsideration at their next meeting. He requested they would like input from the non-shoreliners as well. Another topic the committee is looking into is the enforcement of the regulations.

Keith Brown advised the Garland County Jail presentation would be 6:00 p.m., Thursday, September 22 at the Coronado Center.

Jim Zahnd advised he has the verbal word of the Saline County Clerk that there will be early voting beginning with the primary election in May 2012. They are looking for a suitable location.

Questions Re: Agenda: None.

NEW BUSINESS:

Change in Trash Collection and Practices: Mr. Randall reviewed the memo regarding Change in Collection Practices and Rates regarding Commercial Rate Structure, Commercial Containers and Multifamily Collections (see attached). He stated the purpose for the changes is to make our collection procedures more productive and cost efficient by reducing the number of collections per week. The recommendations intend to reduce the number of weekly collections through both rate adjustments and mandatory service changes.

Property owners in each Townhouse court are currently voting on their preferred option. The Townhouse Association will advise the POA on this vote within the next week.

Discussion followed. This matter will be on the agenda for the September 21, 2011 regular meeting.

Amendment to HSV Chamber Agreement:

Scott Randall reviewed the memo relative to Terminating Agreement for Advertising and Promotional Services – Hot Springs Village and Hot Springs Village Chamber of Commerce (see memo attached). Discussion followed. Mr. Randall advised he is in negotiations for a Welcome Center and is awaiting a lease agreement and hopes to have this finalized in the next two weeks. Director

Bryant asked that the Board receive a copy of the termination agreement prior to the termination. Mr. Randall advised the Board approved a \$303,000 work program in May, as well as an allocation of \$150,000 in May to be used toward the implementation of this work program and great progress is being made. He stated we are not going to pay for new additions to the work program unless they were in the approved work program and will not exceed \$303,000.

Director Owens stated his concern with the wording of the termination which stipulates one of three events must occur and thought there could be issues in terminating the agreement.

This Agreement will be on the agenda for the September 21, 2011 regular Board meeting.

President Kosoglow and Tom Bryant left the meeting at 9:45 a.m. V.P. Cooney took over as Chair of the meeting at this time.

ACC Charter
Amendment:

Steve White reviewed the proposed revised Architectural Control Committee Charter (see memo attached). Discussion followed.

Director Owens stated our Bylaws require three year terms for standing committees and he could not support the proposed five year terms unless the Bylaws are changed. He believes the terms should be consistent with the other committees i.e. three year terms. Director Misch stated we can add wording to the Bylaws that allows this. Director Feather questioned whether the Board should change the Bylaws. Director Brandt felt five year terms were necessary because of the complexity of the ACC policies and procedures. V.P. Clooney requested the suggested Bylaw wording be submitted at the next meeting along with the ACC Charter.

Mr. Randall advised that staff disagrees with the role of the ACC in receiving and approving POA signs in the right-of-way. Staff believes it should remain the responsibility of staff. Discussion followed. It was suggested that POA should agree on a procedure with ACC so that staff could install and locate signs anytime they want. It was requested to have ACC give a recommendation on this by the September 21st Board meeting.

Director Brandt suggested eliminating the second sentence in section IV A. of the ACC Charter in its entirety as it is redundant.

The revised ACC Charter will be on the agenda for the September 21 regular Board meeting.

ACC Policies &
and Procedures:

Steve White stated it would be appropriate for the Board to formally adopt a set of policies and procedures with the recent assignment of ACC responsibilities from Cooper to the POA.

Mr. Randall stated this task was assigned to ACC in early June and they have reviewed and consolidated all policies and procedures that had accumulated over the years. While the function of the ACC existed all this time this is the Board's first shot at what it wants the ACC to look like and what they are to do. There are some policies issues that are in the Board's lap for the first time such as: ACC being the final decision maker when it comes to permits; what constitutes a hardship; penalties, etc.

Discussion followed. Director Misch advised we should proceed with these policies and decide about enforcement separately.

V.P. Cooney stated these are excellent guiding documents for the Village. He summarized the Board's thinking from the discussion today as follows: 1) The Board should not be more encumbered than Cooper was relative to appeals and that the process should be simplified and the property owners should fully understand the process and the guidelines we have in order to be in compliance with our policies and procedures, 2) The ACC should be the final authority and hardships are situational based on the situation at hand. 3) Imposing penalties is something that we will think about as we near the time that we have to start and that imposing penalties should not be a function of the ACC. 4) With regard to the recommendation to form another sub-committee to look at these changes - it was the sense of the Board that this would not be required at this point.

Director Owens stated there are some places in which monetary amounts are indicated for permit fees. It is not the ACC's responsibility to determine how much it is going to cost for these fees, it is the Board's responsibility. Having the amounts in them puts the onus on the ACC to make sure these documents stay current as these fees change over time. He suggested they be taken out.

Special thanks were extended to the ACC for their hard work on this project.

The revised policies and procedures will be on the agenda for the September 21, 2011 regular Board meeting.

Renewal of Solid Waste Agreement:

Scott Randall advised what the Board is considering is a three party agreement between Saline County Regional Solid Waste Management District, Garland County and the POA. He advised this agreement has been in place for many years. The most significant change in this agreement is that it deletes any reference to the funds we have paid to Saline County Regional Solid Waste Management District for the diverted waste that no longer goes to their landfill. Previously we have been paying \$45,000 a year to Saline not to take

our waste. With the transfer of the sale of their landfill this fee went away earlier this year. He advised the other significant item in this agreement is that it is a two year agreement with Garland County to take our trash at \$34 ton for the next two years. The existing agreement expires September 30 and we will be bringing this for approval at the September 21, 2011 Board meeting.

Lease Agreement –
19th Hole:

Linda Mayhood presented a lease agreement with Frank Odeh for operation of the 19th Hole (see memo attached). She advised Mr. Randall had consulted with the Board to get approval to begin this contract on September 1st. The following significant details of the lease agreement were as follows:

- The Agreement is a one year contract, with 2-two year renewal options with terms and conditions to be negotiated prior to each renewal period.
- Vendor will pay all operating expenses, including, but not limited to, electricity water, sewer, sanitation, interior painting, propane, pest service, window, carpet cleaning, telephone service, cable, internet, all janitorial services, rental of dishwasher and grease trap cleaning. In addition, vendor will pay all maintenance, repairs and purchase of all equipment or furnishings that are not affixed to the building.
- Vendor deposited with the POA a \$5,000 non-interest bearing security deposit. Insurance requirements have been met with general liability and work comp. Mr. Odeh has 90 days to obtain the liquor license in his name.
- The POA has capped its maintenance expense at \$2,000 annually for this facility. The POA will pay capital/maintenance expenses for the heating and cooling system, roof and exterior of building/replacement of fixed equipment such as walk in freezer or cooler. The Vendor will be required to pay the first \$300 of any of these maintenance costs or replacements. (It should be noted this is the same terms as recently negotiated for Terrace on the Greens). The POA will continue to insure the building and is responsible for property taxes.

Discussion followed. Approval of this agreement will be on the agenda for the September 21, 2011 regular Board meeting.

Comments/Questions:

V.P. Cooney requested everyone to tell their neighbors to vote for the Declaration amendment proposal. He also reminded everyone of the budget review meeting scheduled for this evening at 4:00 p.m. at the Ouachita Bldg.

Bob DeVinney asked if the trash collection rates apply to churches. Mr. Randall advised that it does as they are zoned commercial. He advised there has been some feedback from the church community about not generating enough volume. He felt the Board had some sympathy toward this but as it stands now they will be required to subscribe for the 3 cubic yard dumpster at \$82/month.

Bob DeVinney asked if there was a process to recruit for food service vendors for our restaurants. Linda Mayhood advised there was and reviewed the procedure.

Director Feather advised we are taking applications for persons with a food service background to serve on the Food Service Committee.

James Harding asked if any of the 30 people laid off have been hired back and if we were in a hiring freeze. Mr. Randall advised there was not a hiring freeze and that a couple of laid off employees have been hired back.

Adjournment:

The meeting adjourned at 10:24 a.m.