

REGULAR MEETING OF THE  
HOT SPRINGS VILLAGE  
PROPERTY OWNERS' ASSOCIATION  
BOARD OF DIRECTORS  
9:00 A.M., WED., JUNE 20, 2007  
OUACHITA BUILDING

A regular meeting of the Hot Springs Village Property Owners' Association Board of Directors was held at 9:00 a.m., Wednesday, June 20, 2007, at the Ouachita Building.

Board members attending were: Vice President Bob Shoemaker, Bill Linam, Mike Misch, Paul Day, Teri Jackson and Jeff Atkins. Absent: President: Dick Breckon.

Attending from staff were: General Manager Dave Johnston, Treasurer Wayne Copeland, Attorney Don Schnipper, Director of Public Safety Laroy Cornett, Director of Public Works David Whitlow, Director of Recreation Larry Koonse, Director of Golf John Paul and Secretary Suzette Tadlock. Absent: Director of Planning and Inspections Steve White and Communications Specialist, Stacy Hoover.

Also attending were Frank Leeming, Hot Springs Village Voice and Jeff Smith, Sentinel Record.

Approximately 15 people were in the audience.

Call to order: V.P. Shoemaker called the meeting to order at 9:00 a.m.

Prayer/Pledge: Director Linam gave the prayer and the pledge of allegiance was led by V.P. Shoemaker.

Guests: V.P. Shoemaker called on guests in the audience.

Order of Business: The order of business was approved as amended by removing item 16. Pro ration of annual fees and adding 17.A. Lake Pineda Drawdown and 17B. Martin Hanna to succeed himself as Chair of the Research and Special Projects Com.

Minutes/Notes: The regular meeting minutes of May 16, 2007 and work session notes of June 6, 2007 were approved as submitted.

President's Comments: V.P. Shoemaker stated that President Breckon was out of town for a couple of weeks. V.P. Shoemaker reported on fourteen employee meetings he and Directors Jackson and Misch had attended with Dave Johnston the past two weeks to update them on the Declaration amendment proposal.

Board Comments: V.P. Shoemaker called on Board members for their comments. Director Atkins advised of a Hot Springs MPO Meeting to be held tonight and commented on the good use of tax deductible

donations through the Hot Springs Village Community Foundation for projects benefiting the Village.

Gen. Mgr. Report:

Dave Johnston gave the General Manager's Report (see written report attached). Mr. Johnston advised that President Breckon had left his proxy with Director Mike Misch. He commented on the good return of resident surveys. Mr. Johnston reported on the recommendation of the Planning Commission Study Committee to recommend a seven member County Planning Commission to serve the area not covered by the Extra Territorial Jurisdiction. Don Schnipper reported on the quorum requirements for passage of the Declaration amendment proposal.

Treasurer's Report:

Wayne Copeland gave the Treasurer's Report (see attached). Discussion followed.

Standing Committee Reports:

V.P. Shoemaker called on standing committee reports.

Standing Com. Reports Recvd. & Filed:

Standing Com. Minutes Received: ad hoc Declaration 5-12-06, 5-19-06, 6-2-06, 6-8-06; Golf 5-11-06; Governmental Affairs 6-9-06; Lake & Water Mgt. 6-14-06; Natural Resources 6-5-06; Public Works 5-18-06; Recreation 5-8-06; Research & Special Projects 5-8-06; Social 5-25-06; Trails 5-16-06.

Architectural Control Com. Minutes Received: 5-18-06, 6-1-06.

V.P. Shoemaker reported that the Committee on Committees is now active and will be meeting for the next several Thursdays.

Questions from the Audience:

V.P. Shoemaker called for questions from the audience.

UNFINISHED BUSINESS:

None.

NEW BUSINESS:

2007 Budget Parameters:

Director Misch MOVED to adopt the eleven budget parameters listed below and 2008 Budget Calendar (attached) as a guide in the development of the 2008 annual operating budget. Director Jackson SECONDED the motion.

1. To have a balanced budget with \$1,500,000 unrestricted cash balance on 12-31-08.
2. To use 3.5% as an inflationary cost guide using the 2007 budget or most recent projected actual expense as a basis for rolling inflationary expense

- forward (excluding the appropriation for street maintenance that is identified in parameter #9.)
3. The increase in operating expense should not exceed the increase from the latest projection of 2007 revenue (excluding the increased appropriation for street maintenance as identified in parameter #9.)
  4. Golf surcharge revenue should be used to support reserve fund requirements.
  5. Timber sale proceeds are to be earmarked for the capital development fund contribution.
  6. To use the following amenity subsidy targets:
    - A. \$1,050,000 for recreation.
    - B. \$900,000 for golf
  7. To contribute \$850,000 to the water treatment expansion fund.
  8. Contribute \$300,000 to the capital development fund.
  9. To appropriate \$1,500,000 to Street Maintenance.
  10. To balance resources with expenditures without reliance on any external borrowing.
  11. Maintain sufficient funds in restricted and reserve cash accounts at the contractually required or desired levels for each account at the end of each year.

Following discussion, the motion was unanimously APPROVED.

Lake DeSoto Carp Reduction Program:

Director Misch MOVED to temporarily allow archery hunting on Lake DeSoto for common carp on a date to be established by the Lakes Manager between now and July 21, 2007. Director Linam SECONDED the motion. Discussion followed.

Director Jackson MOVED to amend the motion to limit this to this one specific group as identified by Public Works. Director Linam SECONDED the motion. The motion was unanimously APPROVED.

The main motion was unanimously APPROVED.

Lake Pineda Drawdown:

Director Misch MOVED to approve Lake Pineda drawdown for this Fall. Director Linam SECONDED the motion. Discussion followed. The motion was unanimously APPROVED.

Appt. to Governmental Affairs Com.: Director Day MOVED that Keith Brown and James Zahnd be appointed to three year terms on the Governmental Affairs Com. effective immediately.

Director Misch SECONDED the motion. The motion was unanimously APPROVED.

Appt. to Social Committee: Director Jackson MOVED that Cappy Swearingen be appointed to a three year term on the Social Committee effective immediately. Director Day SECONDED the motion. The motion was unanimously APPROVED.

Capital Expenditures: Director Linam MOVED to approve the capital expenditure request of \$850,000 for the Road Paving Overlay Project for 2007. Director Day SECONDED the motion. Discussion followed. The motion was unanimously APPROVED.

Director Linam MOVED to approve the capital expenditure request of \$24,400 for mowing of the dams in the Village for 2007. Director Misch SECONDED the motion. Discussion followed. The motion was unanimously APPROVED.

Succession of Martin Hanna: Director Misch MOVED to approve Martin Hanna to succeed himself as Chair of the Research and Special Projects Committee. Director Day SECONDED the motion. The motion was unanimously APPROVED.

Questions from Audience: V.P. Shoemaker called on questions from the audience.

Adjournment: The meeting adjourned at 9:45 a.m.

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President

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Secretary