

MINUTES OF REGULAR MEETING
OF THE HOT SPRINGS VILLAGE
PROPERTY OWNERS' ASSOCIATION
BOARD OF DIRECTORS
WED., AUGUST 16, 2006, 9:00 A.M.
OUACHITA BUILDING

A meeting of the Hot Springs Village Property Owners' Association Board of Directors was held on Wednesday, August 16, 2006, 9:00 a.m. at the Ouachita Building.

Board members attending were: President Dick Breckon, Vice President Bob Shoemaker, Larry Ebner, Bill Linam, Mike Misch, Ginna Watson and Greta Wolfe.

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

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

Approximately 22 people were in the audience.

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

Prayer/Pledge: Director Ginna Watson gave the prayer and President Breckon led the pledge of allegiance.

Guests: President Breckon called on guests in the audience.

Order of Business: The order of business was approved without change.

Minutes/Notes: The following notes and minutes were approved as submitted: July 19, 2006 regular meeting and August 2, 2006 work session notes.

President's Comments: Attorney Don Schnipper advised that the Saline County Circuit Court on August 14, 2006 issued an order as far as the Lake Granada Class Case certification is concerned. The order denied Class Action Certification and will proceed with just the individual complaintants. This has nothing to do with the merits of the law suit and will proceed with the individuals.

Board Member Comments: President Breckon called on Board members for their comments. Director Wolfe asked that people take up their yard sale signs.

Gen. Mgr.'s Report: Dave Johnston gave the General Manager's Report (see written report attached). He reported on a problem with

dry rot in the walls found during the remodeling of the Fitness Center. Discussion of the General Manager's Report followed.

Director Watson reported that the Dept. of Parks and Tourism has added \$500,000 to their 2007 proposed budget for Retirement Relocation for the State of Arkansas. Director Watson advised that she is chairing a task force committee along with Dave Johnston with people all over the State of Arkansas for Arkansas Retirement Relocation.

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

Standing Com. Reports: President Breckon called on standing committee reports.

Golf 7-13-06, Governmental Affairs 7-14-06, 8-4-06, Information Technology 7-10-06, Lake & Water Mgt. 8-9-06, Natural Resources 8-7-06, Public Works 7-20-06, Recreation 7-10-06, Research and Special Projects 5-15-06, 7-24-06, Social 7-27-06, Trails 7-17-06.

Architectural Control Com. Minutes Received: 7-20-06, 8-3-06.

Director Wolfe commended the Tennis Association for their contributions to the Tennis facilities.

Questions from Audience: President Breckon called on members of the audience for their questions.

Albie Hoecker: Attorney Don Schnipper advised that Albie Hoecker had been notified of the hearing today by Certified Mail (see attached).

Director Misch MOVED that Albie Hoecker's privileges be suspended for 30 days as negotiations have not produced an acceptable agreement. Director Wolfe SECONDED the motion. Discussion followed. The motion was unanimously APPROVED.

2007 Preliminary Fee Sched.: The Board next reviewed the proposed 2007 preliminary fee schedule (see attached).

The Board requested a spread sheet format to be used in discussion of fees.

Dave Johnston asked if the procedure that has been followed for five or six years had outlived its usefulness based on the 5 year financial forecasting we are doing now? Mr. Johnston suggested rather than looking at every individual fee in light of the 5 year financial forecast that the Board look at the exception where there are a handful of controversial rates and analyze these.

Discussion followed.

Director Watson MOVED that the Board allocate an additional \$20,000 credit to the Coronado Center changing the allocation to \$1,070,000 and free usage by committees outside business hours be reviewed. Director Linam SECONDED the motion. Discussion followed. The motion FAILED with Directors Watson, Misch and Wolfe voting in favor and Directors Linam, Ebner, Shoemaker and Breckon voting against.

Wayne Copeland requested the Board consider reducing the assignment fee to \$50.00 from \$150.00, the same as deed transfer fee, and to charge on a 12 consecutive months basis rather than calendar year. Discussion followed.

Dave Johnston and Larry Koonse distributed information on other local health club costs (see attached). Director Watson asked about the rationale for not having a surcharge on the Natatorium or Recreation like there was on Golf and Tennis. An alternative to a surcharge was a Fitness Center membership joining fee. Mr. Koonse rated the Fitness Center as the second best facility in the area with Hot Springs Health and Fitness rated first. Director Misch would be opposed to a joining fee.

Director Ebner proposed a \$1.00 increase in boat registration. Discussion followed. Vice President Shoemaker stated more attention needs to be spent on enforcement. Mr. Johnston advised this was an enforcement nightmare. Director Misch advised the Lake and Water Management Committee recommended no increase. Director Watson asked if a pro-rated boat registration could be implemented to increase registrations rather than annual basis.

Larry Koonse requested the Board consider a prorated annual membership fee for the Fitness Center rather than an annual fee.

BREAK: The meeting was adjourned for a break from 10:25 a.m. to 10:40 a.m.

Boat Registration Fee: Director Watson MOVED to implement a one time only fee for new Village residents or new boat owners in the Village of \$21 for a six month registration fee to become effective only for the last six months of the year. Director Ebner SECONDED the motion. Discussion followed. The motion was unanimously APPROVED.

Director Ebner asked about the decreased usage of DeSoto Pool. Discussion followed. Larry Koonse did not recommend lowering the fees.

- DeSoto Pool: Director Ebner MOVED to leave DeSoto pool fees the same as 2006. Director Watson SECONDED the motion. Discussion followed. The motion CARRIED with Directors Ebner, Watson, Wolfe and Misch voting in favor and Directors Shoemaker and Linam voting against.
- Fitness Center Annual Fee: Director Linam MOVED that the annual fee for the Fitness Center be changed to 12 consecutive months basis effective January 1, 2007. Vice President Shoemaker SECONDED the motion. The motion was unanimously APPROVED.
- Director Wolfe stated she was concerned about increasing the Coronado Center rental rates.
- Director Linam reported on the Golf Committee's rationale for trying to hold green fees constant.
- Vice President Shoemaker discussed recycling. He recommends a \$2.00 per month recycling fee to bring it to break even. Discussion followed. Staff was asked to come back with an overview of this program.
- Credit Cards: Director Wolfe MOVED that there be a \$10.00 minimum on credit card usage at the Golf Shops. Vice President Shoemaker SECONDED the motion. Discussion followed.
- Director Watson MOVED to amend the motion to include all POA facilities effective September 1, 2006. Director Wolfe SECONDED the motion. Discussion followed. The motion as amended was unanimously APPROVED.
- The main motion was unanimously APPROVED.
- 2007 Preliminary Fee Sched.: Director Ebner MOVED to approve the attached fee schedule for 2007 as amended as preliminary fee schedule for budgeting purposes. Vice President Shoemaker SECONDED the motion. The motion was unanimously APPROVED.
- Social Com. Appointments: Director Wolfe MOVED to appoint Don Stratton to the Social Committee for a term expiring April 2007 and Juanita Langston for a term expiring April 2009. Director Watson SECONDED the motion. The motion was unanimously APPROVED.
- MAWA Resolution: Director Misch MOVED the Mid Arkansas Water Alliance, otherwise known as MAWA , has requested that each water purveyor who is a member of MAWA approve a resolution to be sent to the Corps of Engineers and to our Congressional delegation in support of the reallocation of 20 m.g.d. per day from Lake Ouachita and 15 m.g.d. per day from Greers Ferry lake. Director Watson SECONDED the motion. The motion was unanimously APPROVED.

State Highway Project: Vice President Shoemaker MOVED the approval of the attached Resolution which supports the preservation of earmarked funds for the extension of the Martin Luther King Jr. expressway from U.S. 70 east of Hot Springs to the junction of Highways 5 and 7 in the Fountain Lake Community. Director Watson SECONDED the motion. Discussion followed. The motion was unanimously APPROVED.

Common Property Violation: Director Watson MOVED to approve the attached letter of agreement with Mr. Philip Kopp regarding trees cut from common property. Director Misch SECONDED the motion. Discussion followed. The motion was unanimously APPROVED.

Capital Project/Expenditures: The following capital/project expenditures were approved:

Cortez Golf Course: Director Linam MOVED to approve the expenditure in amount of \$1,520,210 for renovation of Cortez Golf Course. Vice President Shoemaker SECONDED the motion. Discussion followed. The motion was unanimously APPROVED.

Mill Creek/Cedar Creek Waste Water Treatment Plant: Director Linam MOVED to approve the capital expenditure authorization for \$2,140,000 for Mill Creek Waste Water Treatment Plant and Cedar Creek Waste Water Treatment Plant. Director Misch SECONDED the motion. Discussion followed. The motion was unanimously APPROVED.

Annual Propane Contract: Director Ebner MOVED to approve the contract with Farrell Gas in amount of \$71,228.37 for 2007. Director Misch SECONDED the motion. Discussion followed. The motion was unanimously APPROVED.

Questions from Audience: President Breckon called on members of the audience for their questions.

Adjournment: The meeting adjourned at 11:40 a.m.

President

Secretary