A regular meeting of the Hot Springs Village Property Owners’ Association Board of Directors was held at 9:00 a.m., Wednesday, December 16, 2015 at the Ouachita Building of the Ponce de Leon Center.

Board members attending were: President Harv Shelton, Vice President Mike Medica, Directors Jeff Atkins, Marcy Mermel, George Parker and John Weidert.

Attending from staff were: David Twiggs, COO/General Manager; Linda Mayhood, Asst. General Manager; Lesley Nalley, CFO; Rick Middleton, Police Chief, Stephanie Heffer, Director of Lifestyle and Community Development, Ray Metz, Director of Golf and Ella Scotty, Administrative Assistant.

Also attending: Mary Eliades, Village Voice, Lorien Dahl, Sentinel-Record, Diane Upchurch, KVRE. The meeting audio was recorded by staff.

Approximately 60 people were in the audience.

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

Prayer/Pledge: Director Mermel gave the prayer and the pledge of allegiance was led by Keith Brown.

Introduction of Guests: None.

Order of Business: MOTION to approve the Order of Business as presented was made by Director Weidert, SECONDED by Director Mermel and unanimously APPROVED.

Minutes/Notes: The minutes of November 18, 2015 board meeting were unanimously APPROVED upon MOTION by Director Parker, SECONDED by Director Weidert.

President’s Remarks: President Shelton commented that the Citizen’s Police Academy Alumni has set up a formal association to assist the HSV Police Department in crime prevention, public safety and fundraising. The association established a 501(c)3 organization so people can make tax deductible donations for the police department to raise funds for items such as ammunition needed for training. President Shelton also encouraged members to sign up to attend the police academy.

President Shelton wished everyone a Merry Christmas and Happy New Year and asked for everyone to work together for a successful new year.
Director Comments: President Shelton called on Board Members for their remarks.

Director Weidert thanked the media for their attendance, acknowledged appreciation of the POA staff for their daily work and wished everyone Merry Christmas and happy holidays.

Weidert also announced that Stephanie Heffer, Director of Lifestyle and Community Development has been voted one of Hot Springs top community leaders under 50 years of age.

Director Parker wished everyone a Merry Christmas and Happy New Year and safe travels.

Vice President Medica wished everyone a Merry Christmas and Happy New Year, and asked everyone to keep Bob Shoemaker, former board president and board member in their prayers and thoughts.

Review of Board Corres: President Shelton commented on a recent letter in the Village Voice about concerns of terrorism threats (in general). In his professional opinion, as a graduate of the U.S. Army anti-terrorism school, the measures HSV is taking to protect our village are very appropriate and members should feel safe.

General Manager’s Report: In addition to the written General Manager’s Report, David Twiggs commented on the following:

DeSoto Club renovation monthly reporting in the GM report will include 1) committed numbers and 2) contingency numbers. The total budget is $2.2M.

Winter projects include in-house labor for the 300 acre nature conservancy on the East end of the Village. The conservancy was donated by Cooper in 2006. The in-house crews will do simple clearing of logging trails.

Balboa Club maintenance will consist of painting and re-carpeting. Possible uses for the upper half of the building are event rentals and an arts center.

Proposed language for a Capital Buy-in fee will be presented to the board in January.
Project Updates:
Status Update Total E: CFO Lesley Nalley reported on TotalE: the utility billing conversion is underway and set to go live in February. The February utility billing will be the first out of TotalE.

DeSoto Club: Stephanie Heffer, Director of Lifestyle and Community Development, reported that construction is underway at the DeSoto Club. Re-opening is planned for mid-May.


Standing Com. Reports: None.


Questions from Audience: None.

OLD BUSINESS:
Purchasing Policy Revisions: Vice President Medica MOVED to amend Chapter 1, Article 19 Purchasing Policy; notable changes include:
- Definition of and authority surrounding “projects”
- Exceptions specified in Section IV
- $50,000 commitment authority for the COO
- $25,000 commitment authority for the CFO & Assistant General Manager
- $10,000 commitment authority of Director level staff (Grade 12 & above)
- $5,000 commitment authority for supervisors and managers below a Grade 12

Director Mermel SECONDED the MOTION. Discussion followed. The MOTION was approve 4 to 1 with Vice President Medica, Directors Mermel, Parker and Weidert voting in favor and Director Atkins voting against.
CURRENT BUSINESS:

Police Dept Purchase-Two Vehicles: Vice President Medica MOVED to approve the purchase of two 2016 Ford Utility Police Interceptors from Landers Ford in the amount of $52,340 ($26,170 per vehicle), less total trade-in value of $12,500, for a net purchase of $39,840. Director Weidert SECONDED the motion. Discussion followed. The MOTION was unanimously APPROVED.

Bond Refinancing & Extension: Vice President Medica MOVED to begin the process of refunding HSV’s current bond debt of $1.535mil and securing $1.8mil in additional improvement funds, as presented in the December 1st Special Board Meeting, and to express the Board’s intent and understanding of the following:

1. The CFO is authorized to engage Paul Phillips of Crews & Associates for financing services and the Friday Law Firm for related legal services;
2. The information presented on December 1st was considered preliminary and based on market rates as of that date;
3. Final repayment models will be updated to reflect current market rates, with the goal of minimizing interest and fees, while also conserving monthly cash outlay;
4. Crews & Associates will pursue private offerings, as a means to control costs, but may also recommend a public offering as dictated by prevailing market rates and HSV’s credit rating;
5. The additional 2017 & 2018 projected improvement funds will be discussed with potential investors, but will not be part of the 2016 construction fund deposit; and
6. The Board retains authority to approve the final refunding and improvement model, once completed by Crews & Associates. Director Parker SECONDED the motion. Discussion followed. The MOTION was unanimously APPROVED.

2016 Fee Amendment Work Passes: Vice President Medica MOVED to amend the 2016 fee schedule and add unbundled pricing for workers and renters, as follows:

<table>
<thead>
<tr>
<th></th>
<th>Full Year</th>
<th>Partial Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worker</td>
<td>$15.00</td>
<td>$15.00</td>
</tr>
<tr>
<td>Worker or Renter Photo ID</td>
<td>$25.00</td>
<td>$15.00</td>
</tr>
<tr>
<td>Worker or Renter Gate Card</td>
<td>$40.00</td>
<td>$25.00</td>
</tr>
</tbody>
</table>

Director Weidert SECONDED the motion. Discussion followed. The MOTION was unanimously APPROVED.

Appointments to Recreation: Director Weidert MOVED to appoint Don Langston to the Recreation Committee for a term expiring April 2018. Director Parker SECONDED the Motion. Discussion followed. The MOTION was unanimously APPROVED.
NEW BUSINESS

Debt Usage & Mgmt. Policy: Lesley Nalley, CFO presented a proposed policy, chapter 1, Article 8, Debt Usage and Management. The proposed policy will be made available through the Village Digest for public comment, to be submitted to the board prior to the January board meeting.

This item will be on the January 20, 2016 board agenda.

Comments from Audience: None.

Adjournment: Director Parker MOVED to adjourn, Director Weidert SECONDED and the MOTION was unanimously approved. The meeting was adjourned at 10:22 a.m.

President

Secretary