A regular meeting of the Hot Springs Village Property Owners’ Association Board of Directors was held at 9:00 a.m., Wednesday, November 19, 2014 at the Ouachita Building of the Ponce de Leon Center.

Board members attending were: President Keith Keck, Vice President Harv Shelton, Jeff Atkins, Bobbie Bateman, Frank Leeming, Mike Medica and Mary Neilson.

Attending from staff were: David Twiggs, COO/General Manager, Linda Mayhood, Asst. General Manager, Lesley Nalley, CFO, Attorney Don Schnipper, Public Works Dir. Jason Temple, Dir. of Golf Ray Metz, and Admin. Asst. Suzette Tadlock.

Also attending: Mary Eliades, Village Voice, Diane Upchurch, KVRE. Students from Jessievile School videotaped the meeting.

Approximately 50 people were in the audience.

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

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

Guests: None.

Order of Business: The order of business was approved upon motion by Director Leeming, SECONDED by Director Medica and unanimously APPROVED.

Minutes/Notes: The regular meeting minutes of October 15, 2014 and work session notes of November 5, 2014 were APPROVED as written upon motion by V.P. Shelton, SECONDED by Director Leeming and unanimously APPROVED.

President’s Remarks: President Keck expressed condolences on the passing of John Malt. Mr. Twiggs will attend the services on behalf of the Board today. President Keck thanked Bill Wood for his ten years service on the Common Property and Forest Committee.

Board Comments: Director Leeming thanked David Twiggs, Ray Metz and Ryan Walls for the meeting on November 13, 2014. He commented on an excellent Craft Fair. The Governmental Affairs Committee Internet Survey will be posted on the website for giving feedback on the internet service in HSV.

Director Neilson thanked all the Board members, David Twiggs and Linda Mayhood for their leadership.
Minutes of November 19, 2014 Regular Meeting

Director Medica thanked all Veterans for their service. He stated there have been 35 deer harvested to date.

V.P. Shelton thanked all who showed attended the Veterans Service and thanked Tom Arwood for filling in for him.


Status Update – Capital Project: Lesley Nalley reported on the TotalE status update.

Jason Temple gave an update on the West Gate renovation, East gate renovation and paving.

Finance Report: Lesley Nalley gave the Finance Report (see written report attached).

Standing Comm. Reports: None

Com. Minutes Received: ACC 10-2-14, 10-16-14; CPFC 11-3-14; GAC 10-3-14; Golf 10-16-14; Lakes 10-8-14; Public Works 10-16-14; Recreation 10-13-14, 10-21-14.

Questions from Audience: None

NEW BUSINESS:

2015 Golf Course Chemical Fertilizer Bids: Director Medica MOVED to accept the cumulative bid of $163,927 as listed on the attached memo and presented by Dir. of Golf Ray Metz, to receive the maximum discounts for the initial pre-season order. Director Neilson SECONDED the motion. Following discussion, the motion was unanimously APPROVED.

Appt. to Public Works Com.: Director Atkins MOVED to approve the appointment of Leonard Binstock to the Public Works Committee for a term expiring April 2017. V.P. Shelton SECONDED the motion. The motion was unanimously APPROVED.

2015 Board Mtg. Calendar: V.P. Shelton MOVED to approve the 2015 Board meeting calendar as presented. Director Bateman SECONDED the motion. The motion was unanimously APPROVED.

2015 Board Election Calendar, Application for Board Candidacy and Petition: V.P. Shelton MOVED to approve the 2015 Board Election Calendar, Application for Board Candidacy and Petition for Candidacy as presented. Director Bateman SECONDED the motion. The motion was unanimously APPROVED.
Questions from Audience: Terry Oltrogge, 3 Hartura Place, commented on the Fire Protection Rating.

Adjournment: The meeting adjourned at 10:00 a.m.

Mini Retreat: The Board conducted a mini retreat at 10:10 a.m. for the purpose of reviewing options for the Board to pursue based on the outcome of the assessment increase election on November 21st (see memo attached).

President Keck asked the Board members to send other options in writing to him no later than 5:00 p.m., Sunday, Nov. 22, 2014 for discussion at the Dec. 3, 2014 work session.

Discussion followed on the agenda for Friday’s assessment election.

Adjournment: The mini retreat adjourned at 10:20 a.m. followed by an executive session.

President

Secretary
WORK SESSION MEETING OF THE
HOT SPRINGS VILLAGE
PROPERTY OWNERS' ASSOCIATION
BOARD OF DIRECTORS
9:00 A.M., DEC. 3, 2014
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, December 3, 2014 at the Ouachita Building of Ponce de Leon Ctr.

Board members attending were: President Keith Keck, Vice President Harv Shelton, Jeff Atkins, Bobbie Bateman, Frank Leeming, Mike Medica and Mary Neilson.

Attending from staff were: COO/General Manager David Twiggs, Asst. General Manager Linda Mayhood, CFO Lesley Nalley, Director of Public Safety Gary Adams, Director of Golf Ray Metz and Admin. Asst. Suzette Tadlock.

Also attending: Mary Eliades, Village Voice Newspaper and Diane Upchurch, KVRE. Students from Jessievllle School videotaped the meeting.

Approximately 120 people were in the audience.

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

Prayer/Pledge: Director Bateman gave the prayer followed by the pledge of allegiance by President Keck.

Guests: None

Order of Business: The order of business was approved upon MOTION by Director Bateman, SECONDED by Director Neilson and unanimously APPROVED.

President’s Remarks: President Keck stated in February 2013, then President Jerry Kosoglow made a presentation to this Board talking about our financial shape. People are asking the question what has changed since 2013. As President Kosoglow made that presentation, we had come off a year in 2012 when we had produced 300,000 golf rounds and pumping out water in the summer well over 3.5 m.g.d. As we made the turn into 2013 our golf rounds were reduced to 258,000 rounds and we also were pumping under 3 m.g.d because of the weather conditions. Golf revenues, water revenues and everything else were down almost $1,000,000. If you look at the budget closed out for 2013, you will see a large amount of money taken out of capital and cash reserves to handle the operating expenses. In 2014, we will be lucky to get 250,000 rounds of golf. The 2014 budget was based on 285,000 rounds of golf. Our water was based on pumping over 3 m.g.d and 3.5 m.g.d. in the summer, and this did not happen. Last month’s financial estimates show we will be down $750,000 in revenue. Between these two years, revenues are down $1.7 million. As we went through and did major capital expansion on the water plant there was going to be about $1 million operating cash to finish off the water plant. In 2011, President Kosoglow stated we had
money to work on gates. We were told at the May 2013 town hall meeting to put the west gate back to its original configuration which cost $400,000. In 2011 there were 34 personnel cuts. Since that time we realized we could not perform the needed services and added nine new employees at a cost of $400,000. As you look at our assessments and delinquent lots, assessment revenues did not meet expectations even though we were anticipating this large amount of delinquencies we are $200,000 below our budgeted figures. We have been asked to come up with things with no additional revenue such as care of the lakes. We added $100,000 to do the minimal we needed on the lakes. These are the things that we needed more money. We are doing a needs based budget today. Each Dept. Head was asked to look at every line item they have and justify them with the COO and CFO. In September the Board held five open meetings to review budgets. During these budgets no one identified anything that was not needed. We have cut recycling and water meter replacements. In 2004, the Balboa Golf renovation and Balboa Club renovation were diverted along the way to handle the needs. We are doing everything we can to make this a place to buy into and live here. Let the CFO know if there is any place we are over spending. Hopefully this will explain what has transpired with our financial situation over the last 18 months.

Board Comments:

Director Neilson thanked everyone who voted their proxy and let us know how they feel.

Director Medica advised that Bruce Caverly has been elected Chair of the Common Property & Forest Com. and Dan Webb, Vice Chair. He advised 49 deer have been harvested to date. TotalE is going slower than expected because this is a very large place. He stated he is disappointed in what he has seen of the paving.

Vice President Shelton advised we are in an urgent time for action.

Board Correspondence:

President Keck advised the majority of correspondence has been regarding the assessment increase proposal. He advised when you write the Board you will receive a polite response from the President.

Gen. Mgr. Report:

David Twiggs gave the General Manager’s Report (see written report attached). He commented on the following:

- Projected budget shortfall
- Preliminary DeSoto Club design
- Business Plan and Operating Budget
- Paving
- AS400
- Sales Program
- Commercial retail
- ACC and Overlay Zone
Assessment Election Vote: CFO Lesley Nalley reviewed her memo relative to voting results analysis from the November 21, 2014 assessment vote (see attached). Discussion followed.

Standing Com. Reports: None.

Questions/Comments from Audience Re: Agenda: None.

Appt. to Appeals Com.: Asst. Mgr. Linda Mayhood reviewed the recommendation of Larry Griffin to the Appeals Committee. This will be on the December 17, 2014 regular meeting.

2015 Patrol Vehicles: Dir. of Public Safety Gary Adams reviewed his memo relative to the purchase of two 2015 patrol vehicles (see memo attached). Discussion followed. This matter will be on the agenda for the December 17, 2014 regular meeting.

Purchase of 2015 Golf Carts: Dir. of Golf Ray Metz reviewed his memo regarding purchase of 150 golf carts (see memo attached). He stated TROON recommends going with EZ Go carts. Discussion followed. This matter will be on the agenda for the December 17, 2014 regular meeting.

2015 Econ. Impact Study: President Keck reviewed whether to proceed with a 2015 Economic Impact Study (see memo attached). This matter was referred to the Governmental Affairs Committee for their recommendation.

2015 Strategic Plan: President Keck reviewed the memo relative to 2015 Strategic Plan (see attached). Discussion followed. This matter was referred to the Research and Special Projects Committee for their recommendation.

Break: The Board recessed the meeting for a break at 10:30 a.m. to 10:40 a.m.

Questions/Comments Re: The Board heard from 24 property owners relative to the assessment vote.

Break: 11:50 a.m. to 12:00 p.m.

Assessment Options: The Board reviewed options on the proposed assessment increase (see memo attached). Discussion followed. This matter will be on the December 17, 2014 regular agenda.

Questions from Audience: Four property owners gave their comments on the assessment increase options.

Adjournment: The meeting adjourned at 12:40 p.m.