A regular meeting of the Hot Springs Village Property Owners’ Association Board of Directors was held at 9:00 a.m., Wednesday, May 17, 2017 at the Ouachita Building of the Ponce de Leon Center.

Board members attending were: Chairman John Weidert, Vice Chairman Tom Weiss, Directors Bob Cunningham, Mike Medica, Marcy Mermel, George Parker, and Bill Roe Jr.

Attending from staff were: Lesley Nalley, CEO; Linda Mayhood, COO; Liz Mathis, Controller; Ricky Middleton, Police Chief; Jason Temple, Director of Public Utilities; Stephanie Heffer, Director of Placemaking and Development; Tom Heffer, Director of Golf, Tony Rather, Fleet Manager; Renee Haugen, Director of Real Estate Acquisition & Member Services; Stacy Hoover, Director of Food & Beverage Magdy Hussein, and Ella Scotty, Executive Assistant.

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

Approximately 35 people were in the audience.

Call to Order: Chairman Weidert called the meeting to order at 9:00 a.m.

Prayer/Pledge: Chairman Weidert gave the prayer, and the pledge of allegiance was led by General Tom Arwood.

Introduction of Guests: None.

Approval of Order of Business: Director Mermel MOVED to approve the Order of Business. Director Roe SECONDED, and the MOTION was unanimously APPROVED.

Consent Agenda: Chairman Weidert presented the Consent Agenda items consisting of: Minutes of the 04-19-17 regular meeting; Standing Committee Minutes: ACC 04-06-17 and 04-20-17 CPFC 04-03-17; GAC 04-07-17; Golf 04-20-17; Recreation 04-10-17, and Trails 04-10-17. Board Resolution authorizing and approving MAWA Agreement. Re-appointment of Committee Chairs Gerald Allen, Governmental Affairs; Larry Griffin, Appeals; Dan Webb, CPFC; Dennis Brown, Public Safety.

Chairman Weidert asked if there were any items that the board members wanted to remove from the Consent Agenda. As no objections were heard, the Consent Agenda was unanimously APPROVED.
Chairman’s Report: Chairman Weidert thanked everyone for attending, and acknowledged and thanked the media for their continued support and reporting. Weidert commented on the following:

- HSVPOA hosted the Saline County Quorum Court on May 15, 2017.
- The Board and leadership team attended the ribbon cutting ceremony for the new McDonald’s outside the west gate.
- Brad Meredith’s Lakes Manager report is included in the Village Digest and provides valuable information.
- The manhole rehab project is complete.
- Mid Arkansas Water Association (MAWA) agreement was signed last week, protecting HSV’s water access, which supports our enterprise goal of creating and protecting value. Weidert thanked Jason Temple for all the outstanding work over the years in securing the MAWA agreement and signature, and thanked the Public Works Committee for their efforts and support as well.

Board Member Comments: Director Medica commented on the importance of completing the manhole rehab project as significant because of HSV’s past write ups of the Arkansas Department of Environmental Quality.

Director Roe commented on meetings held on the Pickleball proposal project.

Director Parker thanked the participants of the golf fee roundtables. The information collected will be helpful to the committee.

Director Cunningham welcomed Director Medica to the Board for another three years. He also welcomed Chairman John Weidert as Chairman and Vice Chairman Tom Weiss to their new Board officer roles.

CEO/Financial Report: CEO Lesley Nalley gave the CEO report and discussed the March Financials. Items of interest include:

**Things to Watch**
Administration and Public Works revenues are tracking behind budget. However, the Administration variance is mainly a result of the real estate program just getting kicked off mid-April. This division was budgeted as a just over break even for the partial 2017 year and, according to projected spending levels, will need a minimum of $275k in revenue to do so.
We continue to await the appeals court decision. Oral arguments have not yet been scheduled. In June, the Board will revisit the escrow discussion.

**Positive Outcomes**
Existing homes sales continue outpacing the previous four years. Additionally, both golf revenue and golf rounds have now exceeded 2016 levels. We continue monitoring gross revenue per playable day to maximize results. Year to date, 10 new home permits have been issued and the POA has secured 80 additional lots as part of our acquisition strategy to prevent “cherry picking” and devaluation.

**Monetizing Community Growth**
Year to date, there are 15 more residential neighbors, as compared to December 2016, which is 25% of the enterprise goal. Six POA lots have been either sold or are currently awaiting closing, which is 27% of the enterprise goal.

**Protecting Value & Lifestyle Enterprise Goal**
Enterprise Goal: Protect access to water through MAWA investment
- MAWA agreement signed on May 9th for 2 MGD
Enterprise Goal: Provide current and ongoing details of marketing efforts
- 17% of the $475k budgeted has been spent year to date and includes a digital billboard on I30, ads in Ideal Living, HSV Life, AY, Little Rock Guest Guide, DFW Links, Hot Springs Guest Guide, and others. Attended Ideal Living Expo in Illinois.
- 248 visitors to the Discovery center thus far. 21% of the $103k budget spent YTD.
- HSV has been chosen for various non-paid coverage including Arkansas Democrat Gazette, Prospertime magazine, and Arkansas Parks & Tourism.
- Currently sourcing 29,000 leads through survey questionnaire. Current leads by state show top rankings in order from Arkansas, Texas, Wisconsin, Illinois, Missouri, Louisiana, Oklahoma and Florida, which is where our marketing efforts will focus.

**Building Property Owner Trust & Support Enterprise Goal**
Enterprise Goal: Execute a PR plan focused on communicating with and educating individual stakeholders
- Added 130 new Facebook followers in April; reached 37k with the first member testimonial.
- Conducted golf fee round tables
Enterprise Goal: Joint review of committee, board, and staff activities to eliminate duplicate efforts while ensuring message accuracy and consistency

- Updated bylaws with Board duties, responsibilities, and authority
- Board retreat planning under way
- Various presentations delivered to community groups by the Board and CEO. Take 5’s on KVRE.

COO Report:

Linda Mayhood, Chief Operating Officer gave the COO report:

Magdy Hussein is the new Food and Beverage Director. He has an extensive background and 30+ year progressive career in the food and beverage industry. Magdy’s first focus is opening of Granada Grill.

Public Utilities Update

Utility rate study is underway.

Completion of the manhole rehab project is significant because it is projected to remove up to 1M gallons per day of inflow from the wastewater collection system.

Jason Temple is also working on the wastewater treatment improvement plans for both wastewater treatment plants.

Public Works Department Update

Mowing of road rights-of-way on the primary routes of DeSoto, Balearic, Ponce de Leon, Balboa, and Minorca has begun. Contract mowing of neighborhood roadways will begin within the next 10 days.

The Street Department continues to work on repair of the roads damaged during recent heavy rains.

Compliance Division – six fines have been assessed. Parking and storage of vehicles is the most prevalent violation.

The Urban Deer Hunt will be held from December 9, 2017 through January 31, 2018.

Lakes - There has been no reports of hydrilla. An agreement is in place for treatment of hydrilla, should it appear.

Dredging of Lake Cortez will be complete by June 1, 2017.

Metrics – Mayhood commented on department metrics included in the COO report.
Mayhood also commented that the Men’s Garden Club has been working very hard on the garden project at the Administration Building.

Questions from Audience: None

CURRENT BUSINESS:

Golf Parts Purchase: Director Medica MOVED to approve an agreement to lease a total of 600 golf carts from Golf Cars of Arkansas (Club Car) over 72 months, at a lease rate of $38.50 per cart/per month, with a 72-month extended warranty, and a guaranteed cash trade-in of $2,500 per cart. The initial lease in 2017 will be for 120 carts with 113 trade-ins, which POA will receive up front trade-in cash totaling $282,500. The POA Board grants the CEO the approval to execute the lease agreements for all 600 golf carts over the next 72 months. Director Cunningham SECONDED, and the MOTION was unanimously APPROVED.

NEW BUSINESS

Water Tank Rehab: Jason Temple, Director of Public Utilities presented a proposal for elevated tank rehab nos. C1 and D1.

Proposed Revision to Appeals Committee Charter: Linda Mayhood, COO presented proposed revisions to the Appeals Committee Charter.

Proposed Revisions to Chapter 1 Article 23 Policy: Linda Mayhood, COO presented proposed revisions to Chapter One, Article 23 entitled “Enforcement of the Declaration/Protective Covenants/Policies”.

Proposed Recension of List of Administrative Fines for Infractions: Linda Mayhood, COO presented a proposal to rescind the a previously approved List of Administrative Fines for Infractions

These items will be on the June agenda.

Questions/Comments-Audience: A member commented on the golf fee roundtable, Balboa Golf Course, and trails maintenance.

ORGANIZATIONAL MEETING

Oath of Office Mike Medica: Lesley Nalley led Mike Medica in the Board oath of office.
Adjournment: Director Roe MOVED to adjourn, Director Cunningham SECONDED, and the MOTION was unanimously approved. The meeting was adjourned at 10:17 a.m.

__________________________________ ___________________________________
Chairman    Secretary