

REGULAR MEETING OF THE
HOT SPRINGS VILLAGE
PROPERTY OWNERS' ASSOCIATION
WED., MARCH 16, 2022, 9:00 A.M.
OUACHITA BUILDING

The regular meeting of the Hot Springs Village Property Owners' Association was held at 9:00 a.m., Wednesday, March 16, 2022, in the Ouachita Building. The meeting was livestreamed, recorded, and posted to the HSVPOA YouTube account.

Board members attending: Chair JoAnne Corry, Vice Chair Tucker Omohundro, Directors Pam Avila, Gary Belair, Robert McLeod, Coreena Fetterhoff, Corporate Treasurer, Kelly Hale, Corporate Secretary

Board members absent: Director Chris Jones

Attending staff were Jason Temple, Director of Public Services; Tom Heffer, Director of Golf; Karl Russ, Controller; and Katrina Heap, Executive Assistant to the GM.

The Hot Springs Village Voice was represented by Lewis Delavan.

Quorum Verification: Vice Chair Omohundro advised that a Board quorum was present.

Call to Order: Chair Corry called the meeting to order at 9:00 a.m.

Prayer/Pledge of Allegiance: Jason Temple gave the prayer, and the pledge of allegiance was led by Vice Chair Omohundro.

Proclamation for Native Plant Week: Chair Corry presented a proclamation to the Hot Springs Village Audubon Society for Native Plant Week.

Approval of Order of Business: Chair Corry asked for approval of Order of Business. Director Avila MOVED to amend the agenda to add the topic of Ad Hoc Cooper Land Evaluation Committee. Director Belair SECONDED. The MOTION was unanimously APPROVED.

Consent Agenda: As there were no objections, the Consent Agenda was adopted.

- a. Approve 02/23/2022 Executive Session Minutes (Review Member appeal)
Ratify email vote 03/07/2022 - Janitorial Services Contract for Golf Shops, Guard Houses, and Administration Building
- b. 02-16-2022 Regular Meeting Minutes; 02-23-2022 Special Meeting Minutes
- c. Receive Standing Committee Minutes – Architectural Control 02-17-2022, 03-03-2022; Common Property, Forest & Wildlife Committee 01-11-2022, 02-07-2022; Finance & Planning 01-24-2022; Golf 01-20-2022; Lakes 02-09-2022; Parks & Recreation 01-10-2022, 02-21-2022; Trails 02-15-2022
- d. Public Services Report – February 2022
- e. Appointment of Stephanie Heffer to the Governmental Affairs Committee

- f. Appointment of Kenneth Unger to the Public Services Committee
- g. Appointment of John Boykin to the Common Property, Forest & Wildlife Committee

Director Avila MOVED to approve the Consent Agenda as stated.
Director McLeod SECONDED, and the MOTION was unanimously APPROVED.

General Manager's Report:

- **HSVPOA welcomes new Controller, Karl Russ.** Mr. Russ began employment on March 8th. He has been a Hot Springs Village property owner and resident since 2005 and has previously served on the Finance & Planning Committee. He is very familiar with our financial reporting and budgeting processes and has over 35 years of experience in accounting and financial operations management.
- **Changes are taking place in our Food & Beverage operations.** Cafe Magellan is now open under new management. They plan to be open 7 days a week, from 10:00 a.m. until 6:00 p.m. Cafe Isabella began limited operation on March 9th. The vendors expect for their services to be fully operational by the end of March. We are also currently evaluating proposals for lease of the DeSoto Club.
- **Balboa Beach Park Update:** We have met with the Evening Lion's Club to reevaluate the location for the new Balboa Beach Park and have agreed upon a plan that is agreeable to all parties to move the location of the park across from the beach. This is to prevent any playground equipment being placed directly on the beach. All groups are happy with result of the change.
- **HSVPOA is currently** developing apprenticeship programs for our surrounding high school, college, and technical schools. These positions will be entry-level, with opportunities to advance in the target divisions in order to provide an opportunity for those employees to potentially grow with the POA long-term. These programs will be a win-win for HSVPOA as well as our surrounding community schools.
- **HSVPOA held an all-employee event on March 3rd** to give staff the opportunity to meet the new GM and learn more about expectations and priorities going forward. A special thanks to the Board of Directors for attending this event throughout the day to introduce yourselves and spend time with the employees. We would also like to thank Arvest Bank, who donated and grilled hot dogs and bratwurst for our staff throughout the day.
- **We have received the invoice from The Inspectors of Election** for the partial work completed on the 2022 Board Election. Costs totaled \$5,836.49. Based on our contract, we saved approximately \$40k due to

the cancellation of the election. Any voting supplies that are reusable will be stored by the vendor for potential use in a future election if the vendor is awarded the contract.

- **The Golf Department continues a great start** to the year with 140 booked Stay & Play packages, and revenue totaling \$292,518, an increase of over \$75k year over year.
- **As we continue to expand our infrastructure repair and maintenance projects**, you will notice in our weekly Village Digest we are now featuring updates, along with pictures, to keep property owners informed of the progress. We'll continue this practice in the future to show our assessment dollars at work.

Financial Reporting:

Coreena Fetterhoff, Controller/Board Treasurer, reviewed the February Financials. (available on explorethevillage.com | Members | Governance | Financial Reports) Highlights:

Comparative Balance Sheet

- Cash and cash equivalents total \$18.7M at the end of February, an increase of \$5.4M over the prior year
- Membership assessments receivable less allowance for bad debt balance is almost \$3.2M
- Long-term debt has increased \$418k since this time last year
- Total Liabilities has decreased by \$1.54M from February 2021

Comparative Annual Income Statement

- YTD net revenue is \$6,305,425, compared to a budget of \$6,394,819, reflecting a decrease of \$89,394 from budget
- YTD operational expense is \$4,794,154 which is \$868,689 less than budget
- Net income before depreciation is \$1,511,271 exceeding budget by \$779,295 and an increase of \$496,222 from 2021

Statement of Revenue, Expense & Capital

- All divisions with the exception of Food & Beverage show an increase in YTD revenue over 2021. Total net revenue is 99% of YTD budget.
- Expenses YTD have trended below budget. This is largely due to the decrease in payroll related expenses running approximately \$425k under budget and \$352k less bad debt for assessments.
- Assessments, Food & Beverage, and Golf all show reduced operating expenses from the prior year and less than YTD budget except F&B.
- Administration reflects \$40k over budget due to printed forms, legal & professional fees, and bank charges.
- Development reflects \$144k less than budget related to advertising and contracts for Sells Agency yet to be incurred.
- Safety reflects \$30k less than budget primarily related to payroll.

- Public Works reflects \$170k less than budget due to payroll and maintenance of land and streets expenses not yet incurred.
- Public Utilities reflects \$198k less than budget due to payroll, contracts, and pump station maintenance.
- Lakes reflects \$270k over 2021 expenses and \$209k over budget due to dredging that was budgeted in 2021 but work carried into 2022. This budget adjustment will be represented with the year end reconciliation.
- Recreation reflects \$192k less than budget related to payroll, chemicals, bands and contracts less than budget.
- Total Operational Expense is 85% of YTD budget, \$325k less than 2021 YTD and \$869k less than budget.

Statement of Capital Additions

- 2022 capital spending is \$270,712 reflecting 2.86% of the budget and carryover funds expended.
- 2022 capital spending is \$154k over 2021 YTD.

Cash Flow Statement

- Beginning cash for February was \$19,084,841
- Net income after depreciation was \$654,495
- Net change in Assets and Liabilities was a decrease of \$1,004,396 with an overall net cash provided by operating activities of \$70,262
- Net Cash used in investing activities totaled \$359,000 reflecting capital purchases
- Net Cash used in financing activities totaled \$90,035 reflecting current loan payments
- Resulting end of month Cash and Cash EQ balance of \$18,745,614

Community Development

- YTD home sales 89
- YTD new home permits 21
- POA lot sales 40
- Discovery packages 13
- Discovery package conversions 3

Golf

- YTD golf rounds are 1,572 less than 2021 YTD
- Golf surcharge balance as of February 2022 is \$1.2M
- Revenue per day has increased \$145.92 from 2021

Standing Committee Quarterly Reports:

Common Property, Forest & Wildlife Committee:

Max Billingsley, Committee Chair, presented the quarterly report to the Board:

- John Boykin was approved by the Board as a committee member last quarter.
- Three informal subcommittees were formed: Forestry, Wildlife and Permit Support.

- The Forestry Subcommittee will focus on the health and management of forested common property. Currently the subcommittee is involved with the commercial thinning located along Elcano.
- The Wildlife Subcommittee is focused on advising and assisting POA staff with the annual deer harvest. They will also advise and assist with the geese egg addling program and any other wildlife related issues as required.
- The Permit Support Subcommittee will focus on permitting activities on common property. The subcommittee assists with site visits and review of permit application for cutting and trimming trees on common property.

Lakes Committee:

Jerry Swaim, Committee Vice Chair, presented the quarterly report to the Board:

- Hydraulic dredging continues on Lake DeSoto, and mechanical dredging continues on Lakes Isabella and Pineda.
- Fish stocking completed on Lakes Granada and Sophia. Shoreliners Clubs raised money to fund the stocking operations.
- Lakes Information and Education Subcommittee is developing educational materials and will be releasing advertising to raise awareness.
- Subcommittee created for Buoy Placement Guidelines. Work has been completed and guidelines produced.
- Scuba Diving Subcommittee formed to review rules on scuba diving in HSV lakes.
- Routine activities continue including monitoring water for clarity and temperature.
- Three open positions currently on Committee. Currently interviewing eight applicants.
- Fish habitat continues to be placed in the lakes, including downed trees and brush, to improve health in lakes.
- Electrofishing survey to be conducted in April.
- Lakes Symposium to be conducted for the public in April.
- Will be assisting Compliance Department with lakes surveys.

Public Services Committee:

Rolland White, Committee Chair, presented the quarterly report to the Board:

- Committee conducts surveys and makes recommendations regarding speed limits, signage, traffic control regulations, and traffic control devices.

- Analyze traffic studies and accident statistics and makes recommendations to staff on maintenance and speed limits.
- Major safety improvements at problem intersections include: DeSoto and Carmona, signage improvements; Balearic and Balboa, 4-way stop; Ponce de Leon and DeSoto, speed restrictions and signage.
- Have recently begun new initiative in cooperation with police and fire departments. Departments provide information on any problem areas, and Committee analyzes areas for signage improvements and other corrections.
- Committee will be reviewing engineering reports on HSV bridges in the next few months.
- Major project this year has been replacing the chlorine gas with liquid hypochlorite to treat drinking water.
- Laser inspection of roadways is ongoing. Objective evaluation of roadways is expected to be ready this Spring.
- Repair work has begun on a number of roadways, including Pizarro, Salvatierra Way, Adoracion Place, and Minorca, among others.
- Preparation has begun to bid culvert repair and replacement with the goal to complete all culverts on DeSoto in need of repair.
- Major water line replacement completed on Asturias Drive.
- Project to replace clarifier at the Mill Creek Water Treatment Plant has begun. Project will take over two years to complete.

Trails Committee:

James Carpenter, Committee Chair, presented the quarterly report to the Board:

- Several HSV trails are located on Cooper property. The Committee will continue to ensure trails are maintained and are also evaluating ways to partner with other organizations on future plans.
- Multiple trails workdays conducted in the previous quarter.
- New Year's Hike completed on Cooper Trail.
- Trails Marathon and Half Marathon event in May.
- Friends of the Village Trails Workday scheduled in March at Cooper Nature Conservancy.
- Parks & Recreation Open House scheduled for April 10th at Coronado Fitness Center.
- Audubon Society event and trail walk at Grove Park on May 14th.

- Dam to Dam Hike along the trails scheduled for May 17th.
- Trails Photo Contest available the month of May.

NEW BUSINESS

Bulk Purchase of Residential Grinder Pumps:	Director McLeod MOVED to authorize the GM to execute a purchase order for the bulk purchase in the amount of \$243,514.69 to Jack Tyler Engineering for the purchase of two-hundred ten (210) 2 HP grinder pumps for new home simplex systems and replacement pumps for existing homes. Director Avila SECONDED, and the MOTION was unanimously APPROVED.
Bulk Purchase of Residential Grinder Control Panels:	Director McLeod MOVED to authorize the GM to execute a purchase order for the bulk purchase in the amount of the bid of \$83,790 to Jack Tyler Engineering for the purchase of one hundred sixty (160) grinder control panels for new home and replacement of existing panels for residential sewer systems. Vice Chair Omohundro SECONDED. Discussion ensued, and the MOTION was unanimously APPROVED.
Bulk Purchase of Residential Grinder Tanks:	Director McLeod MOVED to authorize the GM to execute a purchase order for the bulk purchase in the amount of the bid price of \$152,190 to Jack Tyler Engineering for the purchase of one hundred sixty (160) grinder tanks for new home simplex systems and replacement tanks for existing homes. Director Avila SECONDED. Discussion ensued. MOTION was APPROVED with Directors Avila, Belair, and McLeod voting in favor and Vice Chair Omohundro abstaining from vote.
Purchase of Golf Course Pre-Emerge and Fertilizer Treatment:	Director McLeod MOVED to approve the purchase of 93 tons of Ronstar with Polyon Pre-Emerge from Harrell's at the agency pricing cost of \$194,850. Vice Chair Omohudro SECONDED, and the MOTION was unanimously APPROVED.
Lease Agreement – Granada and Coronado Golf Carts:	Director McLeod MOVED to authorize the General Manager to execute a 60-month lease agreement beginning March 2023 with Club Car for 120 golf carts. Vice Chair Omohundro SECONDED. Discussion ensued, and the MOTION was unanimously APPROVED.
Ad Hoc Cooper Land Evaluation Committee:	Director Avila MOVED to create an Ad Hoc Committee on the Cooper Land Evaluation. Vice Chair Omohundro SECONDED. Discussion ensued, and the MOTION was unanimously APPROVED.
	Chair Corry stated each Committee, other than the ACC and Audit Committee, should appoint one member to serve on the newly formed Ad Hoc Committee.

Board Member Comments: Director McLeod commented the newly formed Ad Hoc Cooper Land Evaluation Committee will need to get the pulse of the membership to see what the members want to do in terms of Cooper owned properties in Hot Springs Village.

Chair Corry inquired on the monthly dashboard.

Corporate Secretary Coreena Fetterhoff commented there is an adjustment to capital additions to be made to February 2022 financials.

Questions and Comments from the Audience: A member commented on Board approval of bulk purchase items and inquired on guests from Oaklawn.

A member commented on condition of Coronado Clubhouse, price for daily visits to recreational amenities, pickleball windscreens, and suggested reusing old bocce ball courts for basketball courts.

Adjournment: Director Avila MOVED to adjourn. Vice Chair Omohundro SECONDED, and the MOTION was unanimously APPROVED. The meeting was adjourned at 10:47 a.m.

Chair

Secretary