REGULAR MEETING OF THE
HOT SPRINGS VILLAGE
PROPERTY OWNERS' ASSOCIATION
WED., OCTOBER 19, 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, October 19, 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 Gary Belair, Directors Pam Avila, Bruce Caverly, Jama Lopez, Robert McLeod, Tucker Omohundro, and Kelly Hale, Corporate Secretary

Attending staff were Frank Hubbard, Controller; Charles Brown, Director of Compliance & Contract Management; Todd Noles, Superintendent of Lakes, Dams, Common Property & Forestry; Ken Unger, Director of Public Services; and Katrina Heap, Executive Assistant to the GM

Lewis Delavan represented the Hot Springs Village Voice.

Quorum Verification: Vice Chair Belair 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: Associate Pastor Willard Zeiser, Barcelona Road Baptist Church, gave the prayer, and Vice Chair Belair led the pledge of allegiance.

Approval of Order of Business: Chair Corry requested a MOTION to approve the Order of Business as presented. Director Avila MOVED to approve the Order of Business. Director Omohundro SECONDED, and the MOTION was unanimously APPROVED.

Consent Agenda: Chair Corry read the Consent Agenda:

- Ratify Board email vote on 10-9-2022 - Approve Purchase of 2020 Dodge Ram
- 09-21-2022 Regular Meeting Minutes; 09-21-2022 Executive Session Minutes (Confidential Matters);
- Receive Standing Committee Minutes – Ad Hoc Rules & Regulations Committee 09-21-2022; Architectural Control 09-15-2022, 10-06-2022; Common Property, Forest & Wildlife 08-01-2022, 09-12-2022; Finance & Planning 08-22-2022, 09-12-2022; Golf 09-15-2022; Governmental Affairs 09-02-2022; Lakes 09-14-2022; Parks & Recreation 09-12-2022, 10-10-2022; Public Services 09-22-2022; Trails 09-22-2022
- Appointment of Brian Whitehead and Valerie Shippers to the Architectural Control Committee
- Public Services Report – September 2022

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

General Manager's Report:

- Staff are completing the final aspects of the 2023 Budget. We expect to meet with the Board for preliminary review of the budget draft in early November with the final draft presented to the Board at the November meeting. Staff and the committees have been working on the Budget since July.
- Members of the Board and Governmental Affairs Committee and I have had multiple meetings over the past month with members of the Arkansas State legislature to discuss ways they can support Hot Springs Village, including potential funding for infrastructure. These discussions continue to be very positive, and we appreciate the support of our legislators as we navigate ways we can work together for the good of the community. During the past six months, I have met with Congressman Hill, Congressman Westerman, Lt. Governor Griffin, Director of Natural Resources Chris Colclasure Secretary of Agriculture Wes Ward and Becky Keogh, Secretary of the Department of Energy and Environment. $250M in American Rescue Plan Act funding is currently available for water and wastewater infrastructure projects. We will remain a private community and will not take down our gates; however, just because we're private doesn't mean we can't get access to the funds. Hot Springs Village contributed almost $400M in taxes and other funding last year and have received $0 from local, state and federal governments.
- Our objective is to keep prices down. The average HOA fee in the U.S. is $297 monthly. You can help our community by joining a committee and contributing – volunteer.
- Staff are currently reviewing proposals for restaurant and marina operations at Waypoint and are now meeting with potential vendors face to face with any final questions and review. We expect to announce new vendors at this location in the very near future. Currently, the Waypoint Restaurant and Marina POA operations are closed for the season.
- Over the past month, the Public Services Department completed sealing over ten miles of roadways including multiple areas of DeSoto Boulevard and Balearic Road. We appreciate the property owners' patience while this work was completed.
- Rafaella Rose Restaurant at Cortez will be closing permanently this Friday, October 21. We have had multiple vendor proposals to take over operations at this facility and expect to announce a new restaurant vendor for Cortez in the very near future. The restaurant will be closed for about two weeks to transition to the new vendor.

Financial Reporting:

Frank Hubbard, Controller, reviewed the September Financials (available on explorethevillage.com | Members |Governance | Financial Reports) Highlights:

Comparative Balance Sheet

- September cash and cash equivalents totaled $18,893,860, a decrease of $835k from prior month

- Cash and short-term investments totaled $20,440,779
- Operating cash totaled $9.8M while restricted cash totaled $9.1M
- Total Liabilities decreased by $923k month over month

Interest Earning Assets

- T Bills balance totaled $1,298,919; interest earned totaled $2,723
- CD's totaled $248k; interest earned totaled $448
- Sweep Accounts totaled $16,064,000; interest earned totaled $29,463

Interest Bearing Debt

- Total interest-bearing debt $2,995,117; accrued interest totaled $24k

Assessment Revenue

- Total 9,055 Improved and 13,519 Unimproved Properties in good standing
- September 2022 Buy In Fees totaled $78k
- Assessments collected timely totaled $1.4M

Public Utilities

- September 2022 Public Utilities Net Revenue over Expenses totaled $207k
- YTD Public Utilities Net Revenue over Expenses totaled $2.2M
- Total Water Meters 9,537
- Total Sanitation Accounts: 9,537

Golf

- Revenue per round totaled $32.16 YTD
- Golf Net Revenue over Expenditures totaled $1.2M YTD
- Golf Rounds YTD totaled 174,134

Priority Capital Projects Status

- $1.96M in Street Preservation are contracted or has been completed
- $3.1M in Public Utilities projects are contracted or have been completed
- $996k in Buildings & Assets has been contracted and/or completed
- $742k in Golf Equipment has been contracted and/or completed
- Fleet Repair and Replacement totaled $751k

Standing Committee Biannual Reports:

Parks & Recreation Committee: Mark Quinton, Committee Vice Chair, presented the biannual report to the Board:

- Evan Hanson recently stepped down as a committee member.
- Maureen Morgan is on leave from the committee through December 2022.

- Kristy Schneider has been appointed to the committee and Lisa Schlesinger has been selected as a member pending Board approval.
- $77,854 in Recreation Bundles have been sold YTD.
- Parks & Recreation t-shirt created by committee. 85 shirts have been sold since September.
- Events update: Get in the Game and Yak Run both canceled due to lack of attendance. Committee planning property owner survey requesting input on what events they would like to see offered in 2023.
- 2023 Fees Subcommittee met with Director and provided feedback for next year's fees.
- Committee continues to explore bringing Senior Olympics to HSV next year. Concept would be to have the clubs at the various facilities run the event as opposed to placing the coordination solely on HSVPOA staff.
- Planning underway for updates to the minigolf facility. Work expected to begin early 2023. Course themes are being considered. Gazebo would be updated and expanded as well.

Code Enforcement Update: Charlie Brown, Code Enforcement Manager, provided an update on the Code Enforcement/Compliance Department:

- Mr. Brown's Department encompasses Animal Control, Contracts & Development, Compliance and Code Enforcement.
- Animal Control enforces ordinances, such as leash laws, humane treatment of animals, dog bite investigations, controls nuisance and wild animals and operates the Hot Springs Village animal shelter. The department also assists with the adoption process of the Animal Welfare League.
- Animal Control cases opened year to date in 2022 total 622
- The most common violations are dogs barking and dogs off leash.
- Animal Control service fees year to date total over $16k.
- Animals processed through the department total 252 YTD.
- 11 dog bites have been investigated in 2022.
- The Development Division administers and enforces regulatory building, electrical, mechanical, gas and plumbing codes to protect membership investment and maintain building aesthetics. The division is also responsible for processing all

property line adjustments, easement releases, and new properties.

- The department works closely with the Architectural Control Committee to review permit applications.
- Permitting & Inspections numbers YTD: Inspections- 3,060;
  New Home Permits- 100; Other Permits – 1,675; Stop Work Orders YTD – 6.
- Department is responsible for nine POA-owned restaurant contracts and the gate security contract.

Lakes Dredging Presentation: Todd Noles, Superintendent of Lakes, Dams, Common Property & Forestry, presented information on 2022-23 Lakes Dredging:

- 2021 Lakes Dredging totaled $628,400
- Process to hydro-dredge lake coves is expensive and leaves unsightly bags that staff must remove and dispose of.
- 2022-2023 dredging proposition is to spot dredge with an amphibious excavator.
- Total proposed 2022 dredging costs with amphibious excavator $252,050, a savings of $375,350 from 2021.
- Lakes Cortez and Coronado are scheduled to be dredged beginning late 2022.

NEW BUSINESS

Lakes Dredging: Director Caverly MOVED to authorize the General Manager to execute an agreement with Brad Hartin Grading & Excavating Inc. not to exceed the amount of $252,050 to complete planned dredging of Lake Cortez and Lake Coronado in 2022 and 2023 to include skid steer rental and amphibious track hoe service. Director McLeod SECONDED. Discussion ensued, and the MOTION was unanimously APPROVED.

Golf Early Order Program: Director McLeod MOVED to approve the Golf Course Maintenance 2023 Early Order Program and Fertilizer/pre-emergent early order from Harrell's at a total cost of $633,849.62. Director Omohundro SECONDED. Discussion ensued, and the MOTION was unanimously APPROVED.

Lake DeSoto Water/Wastewater Line Clean & TV: Director McLeod MOVED to authorize the GM to execute an agreement with Heller Company Inc. at a cost of $90,737.50 to TV and clean water line on the south side of Lake DeSoto. Vice Chair

Belair SECONDED. Discussion ensued, and the MOTION was unanimously APPROVED.

Board Comments:

Chair Corry provided an announcement to the property owners: "Today the Board is reaching out to property owners of Hot Springs Village for your help. We have a relatively new GM who has broken the GM mold of the past. He has reached out to virtually every club and organization in the Village. In fact, he told me he has talked to over 1,400 Villagers. He has talked to important influencers and legislators outside of our gates. But, in the process, Villagers have come to feel that they can bring any problem or question directly to Kelly, who has become inundated with emails and phone calls. We understand the satisfaction of having such an accessible General Manager. We believe the impact on his time and priorities is not a good one for the Village as a whole. In short, we the Board want Kelly to have the time to focus on large, long-term issues that require strong relationships with our legislators and other influential people outside our gates. For example, our water treatment plant must be upgraded but the expense is huge. You've heard Kelly give the update on that today. He is working on getting the funding in ways and from sources that long-time residents said was impossible. In the coming weeks, the Friday Digest will have a list of who to contact when you have a question or a problem. You will know the specific staff member and you will have their contact information. We need Kelly focusing on the big picture, not being buried by emails about issues that relate to the various departments or staff people. The Board is asking that, going forward, you direct your questions and concerns to the staff members who oversee the related department. Watch for the list of names, responsibilities and contact information in the October 28th Weekly Digest. We just ask for your help."

Director Caverly invited the Board and members to the Blessing of the Badges October 19th, at 2:00 p.m. at the HSV First Assembly of God Church. Chief of Police Kristi Bennett has redesigned the Hot Springs Village badges. The police uniforms will also have a new arm patch. The department will be getting all new uniforms and equipment at no cost to the POA. This transition will begin in about a month.

Director Avila stated, "Fellow Board Members, please accept my resignation from the Hot Springs Village Board of Directors effective at the close of business today, October 19th, 2022. I can say this was a difficult decision because, during my tenure on the Board, I've come to know some great people and great fellow Board members. I'm admittedly proud of what we've accomplished in a relatively short time. But the decision was also easy because I've been offered the opportunity to do what I believe will be an important part of our future HSV success. Namely, communicating to property owners and to so many other groups beyond the Village gates about this great place that we all call home. I appreciate my fellow Board members so much and

am confident that they'll continue to do an amazing job of moving the Village forward in a positive direction. I am also grateful to the Villagers who gave me the opportunity to serve them over the past few years. This is an amazingly complex place that we live in, yet we are so lucky to be here. Thank you, guys, all. I appreciate it and I will become a POA staff member effective tomorrow morning."

Chair Corry presented Director Avila with a Resolution of Recognition and Appreciation for her service on the Hot Springs Village Board of Directors from May 2020 through October 2022.

Adjournment: Director McLeod MOVED to adjourn. Director Avila SECONDED, and the MOTION was unanimously APPROVED. The meeting was adjourned at 10:32 a.m.

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Chair Secretary