

**REGULAR MEETING
BOARD OF COMMISSIONERS
HOLIDAY ISLAND SUBURBAN IMPROVEMENT DISTRICT (HISID)
JANUARY 27, 2020**

The Regular Meeting was held at the District Office and was called to order by **CHAIR KEN BROWN** at 9:00 a.m.

INVOCATION: Pastor Timm from the Holiday Island Community Church gave the Invocation.

ROLL CALL: Present for roll call were **COMMISSIONERS KEN BROWN, BILL NOONAN, DAVID ORR, DAN KEES,** and **NITA HOLLEY.** A quorum was declared with all commissioners present.

CHAIR BROWN: A suppressor to raise and lower the volume of the microphone system will be installed before the next meeting. Until then, he asked everyone to speak directly into the microphone.

APPROVAL OF AGENDA: **COMMISSIONER KEES** moved to approve the agenda as amended to include approval of 12-23-19 Special Meeting minutes. **COMMISSIONER HOLLEY** seconded. Motion carried unanimously.

APPROVE MINUTES: **COMMISSIONER HOLLEY** moved to approve the minutes of the 12-23-19 Special Meeting. **COMMISSIONER NOONAN** seconded. Motion carried unanimously.

CEREMONIAL: None

ANNOUNCEMENTS:

- 1) **CHAIR BROWN** announced a 50th Anniversary Celebration to be held at the Recreation Center on July 2, 2020.
- 2) Barbara Talbot, 9 Horseshoe Drive: The Island Eats and Sweets will be holding their ribbon cutting on February 14 from 11:00 a.m. until 1:00 p.m. Samples and a lunch special will be offered and all are welcome to show their support. Also, the second Bass Tournament is scheduled for Saturday, May 16, to be updated as planning continues.

PUBLIC COMMENTS: 1) Mike Sampson, 81 Valley Drive: How can the Board endorse support for Resolution 2020-R-3 regarding support for incorporation? He asked that several questions be addressed prior to supporting the resolution and should not the Board remain in a neutral position on the incorporation until the vote comes through? (His comments and questions are attached for the record.) **DISTRICT MANAGER BLOOD:** Regarding the resolution in question, the words "as a City of the 2nd Class" should be stricken from the agenda item to read: "Item 7 Resolution 2020-R3, Supporting Incorporation of Holiday Island." **COMMISSIONER ORR** asked for clarification between incorporating as a town versus a city.

PUBLIC COMMENTS:

- 1) Al Selleck, 22 Buckskin Lane: The petition asks to incorporate as a town; the census bureau will provide an accurate count of how many people there are, and then you are elevated to a City of the 2nd Class. Regarding Mike Sampson's question about forums and information on incorporating, the committee must wait for Judge Sam Barr to put the issue on the ballot. If that happens, forums and

information will be provided for you to vote on whether or not to incorporate at the election on November 3, 2020. 2) Barbara Talbot, 9 Horseshoe Drive: Requested the Board members give their name prior to making a comment or a motion in order to identify who is speaking. 3) Catherine Reed, 3 Horseshoe Drive: Ask for clarification about covenant restrictions regarding RVs parked in driveways. **COMMISSIONER KEES** responded that HISID has no authority over covenants, but are covered by the Planning Commission. 4) Jeff Timm, 110 Holiday Island Drive: As a Veteran, he expressed concerns about the Veterans' Park and the changes planned for its future. 5) Al Selleck, 22 Buckskin Lane: Related the plans he heard from the new owner regarding his plans for the Veterans' Park. 6) Greg Davis, 7 La Quinta Loop: Gave a history on the deeded property of the Veterans' Park and an update on future plans. The Planning Commission will address the trailer issue. 7) Al Selleck, 22 Buckskin Lane: Gave a clarification on the \$1.00 offer for the Veterans' Park to Tom Dees, the then owner of the property. **CHAIR BROWN** recommended the various social groups and individuals keep each other informed as to the plans for the Veterans' Park.

REPORTS:

A) Deputy Report

Deputy Ingle gave two reports: one for December 2019 and the Year-ending 2019 (see attached.) Answering questions from the public, he advised the public to always lock their car doors. Also, there is a state law you cannot leave your car running. Insurance does not cover a loss from leaving a car running. He also warned not to put checks in the mailbox, but take them inside the post office for mailing, except during post office hours at the drop box in front of the post office. His hours vary from day to day, with no hours the same two days a week at the same time. He is conscientious at monitoring speeding throughout Holiday Island.

B) Financial Report November 2019

COMMISSIONER KEES moved to approve the financial report for November. **COMMISSIONER NOONAN** seconded. Motion carried unanimously.

C) District Manager Report

DISTRICT MANAGER BLOOD called for assistance from anyone in the audience to help with the 2020 census. Immediately following this meeting, a call to the Census Bureau will confirm a meeting this Thursday, time to be announced, to form a committee from residents throughout the community to assure an accurate count. Road funding and other municipal types of funding are dependent on an accurate count, not only for the community, but also for the County.

a. *Water/Wastewater*: Repaired water leaks, replaced PRVs, performed daily checks on wells, lift station maintenance and routine checks. The time it takes to repair a water loss was reduced from 40% to 15% this month. Additional PRVs will be replaced once the weather permits.

b. *Roads*: Activities included road patching, tree trimming and removal, weekly chipping at various locations and preparing and applying calcium chloride and chad for winter weather roads.

c. *Miscellaneous and Maintenance*: Removed deer carcasses and trash, picked up dead limbs, and performed vehicle maintenance.

d. *Fire Department*: There were 698 calls for the entire year with non-emergency being 25% of the calls.

e. *Golf*: Repaired bridges and park benches with milled wood from tornado destroyed trees. Performed equipment maintenance, remodeled restrooms at Clubhouse, and created a new game room in the lower level.

f. *Marina*: Added five new anchors with new cables, positioning them properly, new towers, and orienting lines to help prevent damage during high winds.

A) Old Business – None

B) New Business:

1) Accept Bid for Certificate of Deposit

DISTRICT MANAGER BLOOD: With four separate CDs maturing at the same time in the amounts of \$221,503.00, \$225,140.00, \$138,731.00 and \$129,549.00, renewals can be combined into one or two CDs. **COMMISSIONER NOONAN** asked to consider a 15-month timeframe to avoid the year-end delay and get the best rate. **COMMISSIONER KEES** recommended two CDs dividing the total amount of all CDs in half, with no change in income from other amounts. **COMMISSIONER ORR** asked if they all came due at the same time. **DISTRICT MANAGER BLOOD** saw no reason to have to access the new CDs in the next year. With \$1.7 million in unrestricted cash to access in case of a dire emergency, there should not be a reason to cash in a CD. **COMMISSIONER KEES** moved to create one CD out of the four, for 15 months with Bank 1 at a rate of 1.82% APR and 1.83% APY. **COMMISSIONER ORR** seconded. Motion carried unanimously. Bank 1 is CornerStone Bank.

2) Regulation 2020-01, Amending Board of Commissioners Election and Voting Procedures (discussion only)

DISTRICT MANAGER BLOOD: Asked for guidance from the Board on how to finish drafting this Regulation 2020-01. There are three reasons for this discussion prior to finalizing the Regulation: 1) The Regulation is in draft form from the final order, that we received from the District the day before the election (copy of final order presented to each commissioner); 2) after conversations with our attorney, there are issues to determine; and 3) a good segue into the next item on the agenda. The final order was signed by Judge Scott Jackson on November 26. We cannot add any restrictions or requirements that are not specified in 1492 240 c. which is our election code in state statutes. We, however, can put administrative functions in there, e.g., where the election is held. Anything dealing with voter rights has to be pursuant to state statute. I have attempted to amend our current regulation, striking terms being removed and underlining additions. The use of a provisional ballot for a non-verified voter has been added. The area of guidance needed from the Board deals with corporations, businesses and trusts. These are not specifically identified in the state statute; however, they are identified in our code. Currently, those entities get two votes each. The names of the two individuals voting in the interest of the entity are specified in writing. The attorney's opinion is that a single entity only gets one vote versus two. Considering there are many people using a trust for estate planning, going from two votes to one will cause problems. Corporations and businesses also get two votes with the same criteria. Further discussion ensued. **COMMISSIONER ORR** suggested getting federal, state and general election requirements for the number of voters for each of these entities. **CHAIR BROWN** asked for the number of corporations there are and how many couples are listed as corporations. **DISTRICT MANAGER BLOOD:** With the intent to give everybody that is eligible to vote, the right to vote, moving forward with this discussion, we are going to have to reconcile my opinion from the attorney's opinion at some point. **COMMISSIONER KEES** acknowledged the Board's logic and apparent fairness to develop our internal regulations, and in the final analysis, the only opinion that matters is the court. He suggested getting an attorney general's opinion as to what constitutes the number of votes a trust, corporation or business gets. David Bischoff, 50 Bandy Drive: Reminded the Board that corporations on leases are not property owners. Kathy Bishoff, 50 Bandy Drive: In her experience, each trustee in a Trust had equal rights under the

law, so hypothetically, if there were several trustees, and they have control over property, they are looked at as equal entities. Also, there are different ways to hold property other than a deed. It would be good to look at the word "deed" and use legal owner rather than just ownership on a deed. Regarding absentee ballots, it would be good to use today's technology to expedite the submission of a vote. She asked if there was a way more than two names could be listed in the current system.

3) Blue Water Condominiums (discussion only)

DISTRICT MANAGER BLOOD: A timeshare interest is a property owner in every aspect except taxation. A property owner is a property owner, regardless of how much property ownership interest you have in it. However minute an interest you have, you are still a property owner and have the right to vote. The other aspect is amenity privileges. If they have the right to vote as a property owner, should they not also have amenity privileges? The court case only dealt with the vote, but I do not see a downside to opening them up to amenities. Section 5-2 of the Amenity Code would have to be changed. Greg Davis, 7 La Quinta Loop: Terry Presley owns 4 properties. Greg gave a history of lot subdivision, assessments, and amenities. 53 Blue Water has two units on one lot. With separate assessments on each unit, and each unit has a separate owner, the amenity rights should be included. Lisa Lockwood, 49 Blue Water Drive: Having purchased an activity card as a property owner, she was later refunded the purchase amount indicating she was not entitled to amenities. She has owned her condominium for two years and has a deed to her property. She feels she should be granted an amenity as an owner with a deed in order to purchase an activity card. **CHAIR BROWN** indicated a need to give amenity cards to all deed owners, i.e., one lot, one assessment, one amenity card. He suggested bringing owners of each entity, townhouse or condominium, together for a meeting.

4) Regulation 14, Amendment #8, Water and Sewer Utility Rates

DISTRICT MANAGER BLOOD: This amendment provides for the minimum charge increases of \$1.00 on water services and \$1.50 on sewer services. **CHAIR BROWN** read the changes to Regulation 14, Amendment #8 changing minimum fees from \$13.10 to \$14.10 for water services and \$10.50 to \$12.00 for sewer services effective this date, January 27, 2020 (copy attached). **COMMISSIONER KEES** moved to pass the Resolution 14, Amendment #8 to become effective with the February billing. **COMMISSIONER ORR** seconded. **DISTRICT MANAGER BLOOD** recommended a motion to include an emergency clause to pass at this reading. **COMMISSIONER KEES** moved to include an emergency clause. **COMMISSIONER HOLLEY** seconded. Both motions carried unanimously.

Anita Taillon, 38 Holiday Island Drive: How much do we still owe on the sewer debt monthly? Does that entire amount charged for the sewer debt get applied to the sewer debt each month? **DISTRICT MANAGER BLOOD:** The money is proprietary. Every bit of the money goes toward the principal or into the sewer debt reserve fund. The current long-term liability is \$3,735,000.00 left on that bond.

5) Resolution 2020-R1, Filling Vacancy in Position of Assessor and Authorizing Assessor to Conduct a Reassessment of Benefits for Select Properties

DISTRICT MANAGER BLOOD: The Assessment of Benefits (AOB) has a lot of ambiguity, but from time to time a reassessment is required. In 2011, every property was assessed on Holiday Island. However, there are material changes in characteristics that have occurred since then. After much discussion, **COMMISSIONER ORR** moved to withdraw Resolution 2020-R1. **COMMISSIONER KEES** seconded. Motion carried unanimously.

6) Resolution 2020-R2, Establishing Amenity Fee Schedule

CHAIR BROWN read Resolution 2020-R2 (copy attached) to adopt adjusted amenity fees, with most increases being about 5%, plus 7% tax and rounded to the exact dollar amount. **COMMISSIONER KEES** moved to accept Resolution 2020-R2, as presented. **COMMISSIONER HOLLEY** seconded. **COMMISSIONER KEES** amended the motion to allow for rounding to the exact dollar. Motion carried unanimously.

7) Resolution 2020-R3, Supporting Incorporation of Holiday Island

COMMISSIONER KEES moved to withdraw Resolution 2020-R3 from the agenda. **COMMISSIONER NOONAN** seconded. Motion carried unanimously. Kathy Bischoff, 50 Bandy Drive: Could someone announce the date of the court hearing with Judge Barr to put the issue on the ballot?

DISTRICT MANAGER BLOOD: March 10, 2020, at 9:00 a.m. at the Berryville Courthouse.

CHAIR BROWN: Since we are going into Executive Session, if there are any public comments, we can hear them now.

PUBLIC COMMENTS: Barbara Talbot, 9 Horseshoe Drive: I want to compliment the Board for encouraging a more work-like session. I am aware that previously there were work sessions scheduled before a meeting and I think this is an abbreviated demonstration of how effective work sessions can be and then your board meetings go smoother. This is what everyone has been waiting for and I am hopeful that the residents will give more input and attend meetings, because there are a lot of opinions out there that have a basis for communicating with the commissioners and the district manager. I appreciate that you have demonstrated that you are moving forward with that type of venue. It would be even more helpful that when the agendas come out, if there are resolutions, if they could have the attachment in the email notification, so your office is not inundated with calls and making copies. **CHAIR BROWN** is looking forward to the Bischoffs and the district manager, as well as anyone else interested, in getting together to write a resolution to fill the vacant assessor position Resolution 2020 R1. We will now recess to go into Executive Session at 12:45 p.m.

8) Recess into Executive Session

CHAIR BROWN stated the Board would recess for the purpose of considering employment, appointment, promotion, demotion, disciplining, or resignation of a public officer or employee.

CHAIR BROWN called the meeting into Regular Session at 1:28 p.m. **COMMISSIONER HOLLEY** moved that the Board of Commissioners appoint Linda Graves as Assistant District Manager to act in Lawrence Blood's behalf during emergency situations or extended leave. **COMMISSIONER NOONAN** seconded. Motion carried unanimously.

COMMISSIONER COMMENTS:

COMMISSIONER ORR asked about striping of the roads. **CHAIR BROWN** indicated three roads had recently been striped: Pleasant Ridge, Country Club, and Table Rock Drive. The 3 roads mentioned need to be striped and have not been as of yet. We hope to find the \$23,000 to stripe these three long streets in 2020 from the previously passed budget, but as of now only \$15,000 is available therefore, the Board, District Manager, and Mr. DeHart will determine what gets done. If we need extra money, we can find it in some other area of the budget. **COMMISSIONER NOONAN** pointed out that Table Rock Drive is used as a snow route and as an alternate route when there are problems with Stateline.

COMMISSIONER ORR asked for clarification on the striping of roads.

DISTRICT MANAGER BLOOD: Right now we have a placeholder number for that at \$.40 per linear foot. So take the linear feet, multiply it by 4 and times it by \$.40. That placeholder number is what we paid during this last contract with Jimmy Jones that he paid to his subcontractors, so there was his cut in there. What we need from the Board is direction as to which roadway, Table Rock, Country Club, both or some other road. Then Kenny DeHart can get into negotiations. If it comes in under \$15,000.00, that falls below the necessary threshold to go out for bid and we can actually negotiate a better price. **CHAIR BROWN:** I would prefer to leave out Pleasant Ridge until the necessary repairs are made. Is it necessary to have a double yellow solid line? **DISTRICT MANAGER BLOOD:**

Since Arkansas and Carroll County have adopted the Universal Traffic Control manual, which is not a law, but best practices guidance, and we also adopted it, should we use county money for the striping, we would have to fall under their procedure. The last contractor said it was a law to have double yellow lines. We need to research whether it is a law or guidance in a manual that we have arbitrarily adopted. **COMMISSIONER KEES:** Does that same law apply if it is a street rather than a road? Further discussion ensued. Several questions were asked and answered regarding road surfaces, contracts, and costs. **DISTRICT MANAGER BLOOD:** I need to ask Judge Barr for funds to contribute to the Roads Department. Linda Graves, 29 Table Rock Drive: My comment is that the white lines on the edge of the road are far more important than the yellow line going down the center. The most important place to put them is on the sides of roads with a drop-off. Pleasant Ridge has a bad drop-off on one side in one area. Do not scrimp on putting a white line on Pleasant Ridge at the top. **CHAIR BROWN** asked **DISTRICT MANAGER BLOOD** to meet with Kenny DeHart to determine the cost of white lines on both sides of the three streets in question. **DISTRICT MANAGER BLOOD**

said there would be a list in February listing which roads will be paved. **COMMISSIONER KEES:** Referring to District Manager Blood's comment regarding \$240,000.00 in the capital budget with \$200,000.00 from SID and \$40,000.00 from the county, this is incorrect. The \$40,000.00 from the County is in the general road fund because we capitalize our road improvements; so technically, we have to pay for it all, if we capitalize it all. It is a technicality when talking about where the \$40,000.00 goes. It goes into the road fund, it does not necessarily go into capital improvements. The County does not put any restrictions on it. We do not want to say that the County is doing a portion of our capital improvement, because we cannot technically capitalize it on the books and depreciate it.

CHAIR BROWN: When I have this meeting with three to four people as discussed earlier, do I need to list this on the agenda? **COMMISSIONER KEES:** It has to be open to the public, but it does not have to be open to public comment. **DISTRICT MANAGER BLOOD:** It has to be listed as a work session.

COMMISSIONER AGENDA SCHEDULING:
Monday, February 24 Regular Meeting 9:00 a.m.

ADJOURN: **COMMISSIONER NOONAN** moved to adjourn at 1:50 p.m. **COMMISSIONER ORR** seconded. Motion carried unanimously.

COMMISSIONER AGENDA SCHEDULING:

Monday, February 24 Regular Meeting 9:00 a.m.

ADJOURN: **COMMISSIONER NOONAN** moved to adjourn at 1:50 p.m. **COMMISSIONER ORR** seconded. Motion carried unanimously.

Respectfully submitted,



David Orr, Secretary, Holiday Island Board of Commissioners