

**REGULAR MEETING  
BOARD OF COMMISSIONERS  
HOLIDAY ISLAND SUBURBAN IMPROVEMENT DISTRICT (HISID)  
OCTOBER 19, 2020**

The Regular Meeting was held via Zoom 94738095846 and was called to order by **CHAIR KEN BROWN** at 9:17 a.m. Start time late due to technical difficulties.

**INVOCATION:** Pastor Ben Helmer, retired and currently assisting Community Lutheran Church in Eagle Rock, gave the invocation.

**ROLL CALL:** Present for roll call were **COMMISSIONERS KEN BROWN, DAN KEES, NITA HOLLEY** and **DAVID ORR**. **COMMISSIONER BILL NOONAN** was absent. With four commissioners present, a quorum was declared.

**APPROVAL OF AGENDA:** **COMMISSIONER KEES** moved to approve the agenda. **COMMISSIONER HOLLEY** seconded the motion. Agenda was approved unanimously.

**APPROVE MINUTES:** None

**CEREMONIAL:** None

**ANNOUNCEMENTS:** **CHAIR BROWN:** The dumpster across the street from the HISID office is for corrugated cardboard only. Anyone seen dumping styrofoam or trash will be reported to the Sheriff. If this is not complied with, the dumpster will be removed.

**PUBLIC COMMENTS:** None

**REPORTS:**

**A) 2019 Audit Presentation, Landmark CPA**

John Evans, along with Katy Tracy and Dana Crawley, commented: The financial statements of the District are the responsibility of management. They are not Landmark's financial statements and are not our responsibility. Our responsibility is to audit the financial statements, issue an opinion and give reasonable assurance, but not absolute assurance, that the financial statements are free of material statement. Our opinion on the 2019 financial statements are that they are fairly presented in all material respects in accordance with generally accepted accounting principles. It is a good, clean unqualified opinion on the financial statements. In our package is a Management's Discussion and Analysis prepared by management that gives a good explanation of the financial statements and the things going on in the District. It would be worth your while to review that Management's Discussion and Analysis. One of the things during the course of our audit that we did note, and is included in the audit report, is that the District had some uninsured deposits at the end of 2019. The District either has to have the bank balances insured or collateralized. There was about \$230,000.00 of uninsured deposits at the end of 2019. One other thing to note is that the Covid-19 pandemic occurred during 2020 and the impact of that cannot be determined at this time, but it is presumed it will have some impact financially on the District. Another report we issue in addition to the report on the financial statements, is a report

required by government auditing standards on internal control and on compliance. On our internal control report, we noted no material weaknesses, which is good, and during the course of the audit we noted no non-compliance with laws and regulations that would be material to the financial statements, and that is a good item also. Those are the primary comments I would like to make on the audit report. Basically, things were very similar to previous years and during the course of our work we noted no major issues or problems. I will be glad to answer any questions you might have. **CHAIR BROWN:** When you said \$230,000.00 in deposits were not insured, did you mean this amount exceeds what the banks insure? John Evans: Each bank insures your accounts up to \$250,000.00. Because of the amount of cash deposits you have, and because you are a government entity, they also collateralize those deposits. In your case, at the end of the year, that collateral was a little short of your actual deposit. **CHAIR BROWN:** Do we ask the bank to help us on that or what do you suggest? John Evans: I have mentioned this to management and I think they have already taken care of it. **CHAIR BROWN:** How do you determine the fees for your services? John Evans: It's based on an hourly rate per hour and usually we end up discounting it some from the actual hourly rate time, depending how many hours we spend on the audit. **DISTRICT MANAGER BLOOD:** I want to thank the auditors very much for all the effort they put through this year. It is a pleasure to work with them. I also want to point out that a lot of the preparation work is done by Lou and Marilyn. They have done a fantastic job, like they have done in the past, to get us ready for this audit. My sincere thanks to Lou, Marilyn and the auditors for another good year. Can you let us know the net position on the audit? John Evans: This District's net position at the end of the year was \$18 million of which \$15 million is undesignated. There are reserves and designated balances of \$2.6 million. Overall, the District is in good financial shape. Your current assets exceed your current liabilities by a large amount, so you are in a good financial position. **CHAIR BROWN** thanked the staff and auditors.

### **B) September Financial Report**

**COMMISSIONER KEES** moved to approve the September Financial Report. **COMMISSIONER HOLLEY** seconded the motion. Motion approved unanimously.

### **C) Deputy Report**

Deputy Ingle has been promoted to Corporal and was congratulated by the Board. He then gave his report for September, 2020. He reviewed the 178 calls for service. There were 24 traffic stops resulting in 15 citations and 9 warnings. Also included were six domestic abuse calls and three suicide calls. **CHAIR BROWN** asked Corporal Ingle how he responds to the suicide calls. Corporal Ingle said he recommends they go to the hospital, as there are no mental health facilities in either Carroll or Benton counties. **COMMISSIONER KEES:** Aaron does an excellent job. I recommend his monthly report be included in the HI Happenings weekly newsletter. He needs more recognition of his activities, especially when each call requires several hours of written reports. In one instance, two calls required 10 hours of paperwork. Regarding the dumpster, Corporal Ingle asked witnesses of the abuse to take pictures and call him to report a license plate or visual sighting. Most breaking and entering cases involve vacant or vacation homes. He recommends always locking doors and leaving a light on. Lynn Dumas, 32 Quail Run Drive, thanked Corporal Ingle for the public safety service he provides.

**COMMISSIONER ORR** recommended installing security cameras and purchasing monthly monitoring or using the HI Security Service in Holiday Island.

**D) District Manager Report**

**DISTRICT MANAGER BLOOD** presented a slide show to help the Zoom audience and the Board to clarify his comments. He reviewed the election cycle which starts at 6:00 p.m. tonight with nominations for HISID commissioners. Since there are only 25 seats available in the meeting room at HISID, he encouraged as many people as possible use the Zoom service for their attendance. Election Day is December 1 from 8:30 a.m. to 6:00 p.m. He reviewed the qualifications for voting that have been mailed to all the property owners, including the timeshares. Absentee ballots must be returned by December 1 with early voting beginning on November 16. The General Election is November 3. He then reviewed the assessment revenue; Water and Wastewater activities, noting the production line with every month this year (water loss has gone down); and Road Department activities, including a picture of the accident on Haddock Creek Bridge. The railing will, more likely than not, be covered by insurance of the vehicle's owner. Susan Rosen, 1 Hickory Lane, asked when Danube Drive, Hickory Lane and Elm Lane road repairs are going to be made. **DISTRICT MANAGER BLOOD:** Once the three more PRVs are replaced this year and six more next year, the pressure zone will be more secure and resurfacing of these three streets will be at the top of my list. There are no paving projects approved at this time. He reported on fire and EMS calls.

**BUSINESS**

**OLD BUSINESS:**

**1) Preliminary 2021 Budget (Discussion Only)**

**DISTRICT MANAGER BLOOD:** The preliminary budget is not currently balanced, due to uncertainties of Covid-19, the issue of incorporation and the October assessment revenue. September golfing was very good. We have tried to fairly and realistically project income, but we need to put the budget on hold until the end of November. A lot of lots are being bought from out-of-state realtors through the state buy-back program; new owners are paying their assessments and penalties; and several houses are being built. **COMMISSIONER ORR:** Will we be able to complete the budget by the end of November? **CHAIR BROWN:** The budget is approved before newly elected commissioners are installed. **DISTRICT MANAGER BLOOD:** We are currently discussing how assessments should be adjusted when lots go from unimproved to improved. **COMMISSIONER KEES:** We need to get this addressed before assessment bills go out next year. **DISTRICT MANAGER BLOOD:** A second slide shows a budget based on possible incorporation. We need to put everything on hold until November. **COMMISSIONER KEES:** I want to comment on the transfers listed in the boxes at the bottom of each preliminary budget. These transfers are coming out of reserve funds. When we need money to buy equipment, we take money out of reserve accounts as a transfer. **DISTRICT MANAGER BLOOD:** Budget transfers include 100% funding of rolling stock reserve fund. **COMMISSIONER ORR:** Looking at the box, these estimates are based on something, not guess work.

**PUBLIC COMMENTS:** Lynn Dumas, 32 Quail Run Drive: These are good faith estimates based upon recent historical data. Barbara Talbot, 9 Horseshoe Drive: Last year it was helpful to look at

each department's projections. Alex Thurocy, 158 Holiday Island Drive: Speculation based on assumption.

**DISTRICT MANAGER BLOOD:** Without incorporation, we have to reduce expenses (reducing operating expenses and capital improvement (CIP) projects) or increase revenue. With incorporation, the projected surplus is \$194,156.00 or 9.63% decrease in assessments. Preliminary budgets have not been approved by the Board, so they will not be posted on the website. **COMMISSIONER KEES:** Summary sheets are part of the public record. I have reservations regarding worksheets being distributed. It is not a secret, but they need changes. **DISTRICT MANAGER BLOOD:** We will try to have the budget approved by November 30. **COMMISSIONER ORR:** I am requesting the budget be reviewed by the public before it is voted on. **COMMISSIONER KEES:** If we have a work session one week after November 4, it would be a public work session. We can have a November 9 budget workshop and move the regular meeting from November 16 to November 23 to give the public time to review the budget.

**PUBLIC COMMENTS:** Donna Putnam, 162 Holiday Island Drive: Be sure to put a "draft" watermark on the budget and worksheets. Barbara Talbot, 9 Horseshoe Drive, thanked Commissioner Orr for pointing out how important it is to allow the public time to review the budget.

**NEW BUSINESS:**

- 1) **Recess into Executive Session for the purpose of considering employment, appointment, promotion, demotion, disciplining, or resignation of a public officer or employee.** **COMMISSIONER ORR** moved to recess into Executive Session. **COMMISSIONER HOLLEY** seconded. Motion approved unanimously. The Board went into Executive Session at 11:13 a.m.
- 2) **Reconvene.** **CHAIR BROWN** reconvened the meeting at 11:55 a.m., following the Executive Session wherein Fire Chief Bob Clave submitted his retirement notice with an effective date of December 18. This provides a two-month notice to find his replacement.

**PUBLIC COMMENTS:** None

**COMMISSIONER COMMENTS:** **CHAIR BROWN** thanked HIHA for holding two public forums regarding incorporation and introduction of the candidates running for office, should incorporation pass. He announced HIHA will be holding another public forum to meet the candidates nominated for the open seats on the Board of Commissioners. The forum is scheduled for November 12 from 6:00 p.m. to 8:00 p.m. in the Clubhouse Ballroom and adjoining patio.

**PUBLIC COMMENTS:** None

**COMMISSIONER AGENDA SCHEDULING:**

No meetings scheduled at this time. Dates and times to be announced in the near future.

**ADJOURN:** **COMMISSIONER KEES** moved to adjourn the meeting. **COMMISSIONER ORR** seconded. Motion passed unanimously. Meeting adjourned at 11:58 a.m.

Respectfully submitted,



David Orr, Secretary, Holiday Island Board of Commissioners