

**REGULAR MEETING  
BOARD OF COMMISSIONERS  
HOLIDAY ISLAND SUBURBAN IMPROVEMENT DISTRICT (HISID)  
OCTOBER 21, 2019**

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

**INVOCATION:** Ben Helmer, retired pastor from St. James Episcopal Church in Eureka Springs.

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

**APPROVAL OF AGENDA:** **COMMISSIONER KEES** moved to approve the agenda. **COMMISSIONER HOLLEY** seconded. Motion carried unanimously.

**APPROVE MINUTES:** **COMMISSIONER KEES** moved to approve the minutes of the Regular meeting on 9-16-19. **COMMISSIONER HOLLEY** seconded. Motion carried unanimously.

**CEREMONIAL:** None

**ANNOUNCEMENTS:** **COMMISSIONER GRAVES** announced an OctoberFest celebration at the Sun Fest parking lot Saturday, October 26 from 10:00 am - 2:00 pm and an OctoberFest in The Barn from 4:00 pm - 8:00 pm.

**PUBLIC COMMENTS:** 1) Ken Brown, 7 Cypress Point Lane, thanked the Board for investing money in The Barn for air conditioning. He is placing a hanging at The Barn to commemorate the 75<sup>th</sup> anniversary of The Barn, while currently celebrating its 81<sup>st</sup> anniversary. It was by Kate Lucariello, reporter for The Citizen. Friends of the Barn have raised over \$25,000.00 over the last 10 years, and with Pat and Cris Elwood now President, we hope to keep it going. He announced the OctoberFest on Saturday, from 4:00 pm – 8:00 pm for \$10.00. **COMMISSIONER MAKIDON:** There is a group of ladies who take historic barns and paint quilts on the site. They are looking for more barns in Arkansas to do this.

2) Ben Helmer, 16 Osage Lane: On Saturday we had a very successful road cleanup. We had 25 volunteers, Fire Chief Bob Clave got four fire trucks with five volunteers from the Fire Department and Deputy Ingle took care of people on Highway 23. We picked up 50 bags of trash and completed all road boundaries around Holiday Island.

3) Barbara Talbot, 9 Horseshoe Drive: I wanted to expand on the OctoberFest in the Sun Fest parking lot. Elks will provide the inflatables for the kids. The Corvette club will be there, and DJ Tic will emcee. Our soon-to-be newest tenant in the shopping center, Island Sweets and Treats, will have ice cream cones for the kids. Courtney Handley is our newest member of the Chamber.

4) Kathy Bishoff, 50 Bandy Drive: Requested clarification on who can vote at the upcoming election and whether their assessment had to be paid. Clarification of this issue needs to be announced in the newsletter, that everyone can vote regardless of their status on the deed. Discussion ensued regarding

the pending action by the court of appeals versus current law on the books. **COMMISSIONER KEES:** We have to go by the law in effect on election day. **DISTRICT MANAGER BLOOD:** Once notice is received by the circuit court, the decision will be announced in the HISID newsletter.

## REPORTS:

**A) Deputy's Report** Deputy Ingle reported calls for September with 172 calls, 6 accidents, 2 felonies, several other incidents, and one email fraud. He stressed to call him if you have any questions regarding requests for money over the internet or phone. **COMMISSIONER NOONAN** asked about reported shots fired on Venus. Deputy Ingle said you can fire a gun on your property legally. He also said he was pleased that 25 Mercury was being cleaned up, as well as the surrounding neighborhood.

**B) September Financial Report** **COMMISSIONER KEES** moved to accept the September Financials. **COMMISSIONER NOONAN** seconded. Motion carried unanimously.

## **C) District Manager's Report**

**DISTRICT MANAGER BLOOD** began by looking at and reviewing the assessment revenue. The bottom line is affected by turn-back lots. Discussion ensued regarding property of the Commissioner of State Lands.

*a. Water/Waste Water:* Repaired main line leaks on three locations, Three PRV's have been replaced this year on Stateline, Table Rock and Twin Peak. Once a new pressure transducer data study is completed, it will be determined if the replacement of other PRV's will result in decreased water loss. An explanation of the water system leaks was given to those in attendance. **COMMISSIONER GRAVES:** The previous water study performed in 2003 is available for review.

*b. Roads activity and updates and Public Facilities:* Helped cover the big swimming pools, performed equipment maintenance, road paving and cuttings.

*c. Fire Department:* Call volume continues to go up every single year. Supported the Elks tournament, attended training of Terminology refresher, and responded to fire calls.

*d. Golf:* Hand watered greens, and hosted four golf events. Tees for TaTas who donate the largest donation to the Fayetteville Susan Komen Fund.

*e. Marina:* All comments regarding the cleaning and spider treatment have been very positive. One more spraying will be conducted this year. Walkway was patched by Kenny DeHart until replacement is complete.

*f. Miscellaneous:* The site at 25 Mercury has improved substantially. Cleanup of this location has also affected at least 15 properties throughout the neighborhood, encouraging other citizens to clean their properties.

*g. Mailer:* An anonymous mailer is being sent out to non-resident property owners. This mailer gives the impression it comes from the Holiday Island Suburban Improvement District and/or the owner of the Holiday Island logo trademark. The subject matter is regarding the upcoming annual election of board commissioners. Due to its deceptive appearance, possible trademark infringement and possible violation of several campaign ethics rules, it has been turned over to the Ethics Commission for review. **COMMISSIONER HOLLEY** was at the Clubhouse on Sunday afternoon and was impressed with the number of outsiders standing in line to play golf.

*h. Campground:* Danny Albright is returning next year.

## BUSINESS

**A) Old Business:** None

**B) New Business:**

**1) Certificate of Deposit, Bid Opening or Extension** **DISTRICT MANAGER BLOOD** reported that the CD in the amount of \$370,979.98 matured last Thursday. A solicitation letter for a 6-month, 12-month and 15-month rate was sent to all the local banks. The letter to Arvest Bank was returned with an incorrect address. An extension was offered upon the approval of the other two banks, but Arvest decided not to offer a bid. Therefore, bids from the other three local banks listed anonymously as Bank 1, Bank 2 and Bank 3 were opened. The winning bid will be awarded at a later time.

**2) Pickleball Proposal** Pat Elwood, 14 Holiday Island Drive: Gave a report on the increased number of people playing pickleball at the Recreation Center. There are several "dead spots" in the court being used for pickleball. Several options were presented, from a \$13,976.00 partial overlay, a \$16,000.00 complete overlay or a total rebuild, to include concrete removal and replacement for \$19,500.00, not including striping. Questions and comments followed regarding usage and options. After discussion, it was decided that Dan Eddy, 113 Beaver Drive, would get more detailed information to present at a future meeting.

**3) 2020 Operating Budget (first draft)** **DISTRICT MANAGER BLOOD** reviewed the overhead graphic of this year's General Fund revenue. He gave a history of budgeting, ultimately to have a realistic balanced budget, reducing the original budget loss amount of \$111,384.00.

a. Budget footnotes were reviewed and discussed. **COMMISSIONER KEES** asked if the numbers were depreciated or book values. **DISTRICT MANAGER BLOOD:** All numbers are book value. He noted the uncollectable assessment debt of \$75,000.00 is included in the \$111,384.00 budget. Alex Mosley, 150 Holiday Island Drive, asked why people are giving back their lots. **DISTRICT MANAGER BLOOD** said it was not due to the elimination of ownership for golf privileges. The future of a vacant lot owned by a relative is no longer wanted. It is of major concern that turned-back lots are making a big difference in revenue. With the Commissioner of State Lands holding cheap lots, real estate scams are apparently purchasing and selling them at a reasonable price. The new owners feel they were misinformed and misled by the sellers, as they were not informed of the annual assessment fee required to prevent foreclosure. Discussion continued with several examples of peoples' experiences with lot ownership and turn-back reasons. Ultimately, by identifying these uncollectables, we are doing what we have to do to create a healthy operating budget.

b. Budget Options were reviewed and discussed.

1) Suspend the other 50% of the rolling stock replacement in the amount of \$28,687.00.

2) A 1% increase in assessments would result in an increase of \$7.16 per R/1 house, \$14.00 at 2% and \$18.00 at .5%. Lots would go up \$10.00.

3) Increase marina slip rentals to continue paying for the bug spraying. The \$75.00 increase per slip is included in the revenue. We need to decide whether to charge by slip or by square foot.

4) Increase golf and restaurant income by either increasing price or increasing volume. Loren Bernstein, Golf Operations Manager, is currently working on the volume side. It's going to be trial and error. Various options and ideas have been discussed. Loren offered statistics on who was playing and how often.

Alex Thurocy, 158 Holiday Island Drive: Discussed the resentment of residents subsidizing non-resident golfing fees. Nobody wants golf to go away. People need to pay what it costs to maintain

it. Barb Kuhn, 62 Holiday Island Drive: I pay fees for both golf and swimming to support these amenities, even though I seldom use them. If fees go up, I may be forced to stop buying the amenity card. **DISTRICT MANAGER BLOOD:** The quality of the course is not directly related to the amount of money we are spending on it. It is directly related to the effort being put out by the staff going above and beyond. So, in my opinion, this suburban improvement district was formed for the preservation and quality of life, from the hiking trails to the community garden to maintaining and operating the golf course, water and sewer, I challenge you to point out to me any other community that makes money. They are all subsidized to a point. Our main goal is to continue that quality of life for a retirement community. It is important to realize if we raise rates, it may not raise revenue. Previous attempts at raising revenue by increasing prices have not always achieved their goal. For the many reasons the golf facility is used, the cost of operations is always attributed to golf. We have to figure out how to get people into the facility. Do we need to make it a community center? **COMMISSIONER KEES:** A great product at a reasonable price should be easy to sell. Alex Thurocy, 158 Holiday Island Drive: One consideration is age being a major issue. As people age, they incur dietary restrictions. Also, part of the community is out of town, concerned about driving after dark, or on a tight budget. Loren Bernstein: Tourists visiting Eureka Springs should be a source of revenue for us. Ken Brown, 7 Cypress Point Lane: I want to thank Alex for raising the fact that the naysayers feel the Board of Commissioners and the administration is all for golfers, putting in a lot of money in the golf course and letting them play for a small fee. Alex: If you raise the rates, this feeling of resentment may go away a little. **COMMISSIONER KEES:** We should let Loren Bernstein and **DISTRICT MANAGER BLOOD** work on this and come back with a proposal, rather than giving them a target. **DISTRICT MANAGER BLOOD:** This will be represented in the budget presented next week. **COMMISSIONER GRAVES:** Asked about where we were with water and sewer rates. **DISTRICT MANAGER BLOOD** explained the need for additional personnel in this department. Five PRV's are budgeted for installation next year.

c. *Decision Points* resulting from an upcoming update to the Employee Handbook were reviewed and discussed: Either we fund these in the budget or remove them from the employee handbook. These suggestions came from the County handbook. Sick leave is a benefit that is provided. Compensation is for not using sick pay.

*Sick Payout* \$2,500.00 yearly

*Longevity Payout* of \$4,080.00 yearly, district-wide, is to encourage faithful service.

Further discussion continued, clarifying the details of these decisions. **COMMISSIONER KEES** commented that if this becomes a matter of a bonus plan, it should be performance-based rather than longevity. Lynn Dumas, 32 Quail Run: We get more bang for the buck using a payout system for unused sick pay. Marilyn Clave, staff member, was asked for her opinion on these decision points. Longevity was a way to show appreciation to the longtime employee using the compensation rate the County uses. Further discussion ensued. It was a matter of consensus to leave out the longevity payout, but look at the sick leave in the budget. **COMMISSIONER KEES:** The handbook review has to come first, before budgeting. Marilyn Clave: The handbook is written to affect only full-time people. **COMMISSIONER NOONAN** questioned the increase in insurance under non-departmental costs from \$118,452.00 to \$141,104.00. These include vehicle, workers compensation, and liability. The question being whether this is a general portfolio increase or a correction in an error in under budgeting from last year? **COMMISSIONER KEES** asked if we were taking full advantage of the Municipal League.

**COMMISSIONER GRAVES** asked for a good number for the Rolling Stock replacement account. **DISTRICT MANAGER BLOOD** wants to do some research on this item. **COMMISSIONER KEES** asked for a breakdown of insurance costs.

**4) Certificate of Deposit, Bid Award** Not one of the three banks offered a special rate to the District. Results of opening the sealed bids showed the best rate was at 2.05% annualized for 15 months from Bank No. 1, being Cornerstone Bank. **COMMISSIONER GRAVES** moved to accept this bid. **COMMISSIONER KEES** seconded. Motion approved unanimously.

**PUBLIC COMMENTS:** None

**COMMISSIONER COMMENTS:** None

**COMMISSIONER AGENDA SCHEDULING:**

Monday, October 21	Special Meeting	6:00 p.m.	Nominations for two commissioner seats
Monday, October 28	Regular Meeting	9:00 a.m.	
Monday, November 4	Regular Meeting	10:00 a.m.	
Tuesday, November 12	Regular Meeting	10:00 a.m.	

**ADJOURN:** **COMMISSIONER KEES** moved to adjourn. **COMMISSIONER MAKIDON** seconded. Motion carried unanimously.

Respectfully submitted,



Nita Holley, Secretary, Holiday Island Board of Commissioners